# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Vietnam invades border town

Vietnam has launched a major military operation against its Communist neighbour, Cambodia, with heavy bombing and artillery support. The town of Mimot, six miles inside Cambodia, was reported in Vietnamese hands.

The Vietnamese were said to have advanced in some places up to 30 miles into Cambodia, but the bulk of the fighting was three to six miles within the border, north of the Parrot's Beak salient, where the Vietnamese have controlled enclaves for some time.

Vietnam's attack risks further angering China. It may be merely a punitive action to relieve border villagers who have suffered severely from Cambodian guerrilla raids. But it could be the long-speculated drive to seize Phnom Penh and instal a friendly pro-Hanoi government.

### Jesuits killed in Rhodesia

Two German Jesuits, the only white staff at St. Rupert's Mission hospital, Western Rhodesia, have been murdered only five days after the slaughter of 12 British missionaries and children near the border with Mozambique.

Mr. Clifford Dupont, Rhodesia's first head of state after it broke away from the UK in 1965, has died in Salisbury, aged 72.

### Phones may be hit

The Post Office Engineering Union has called a national overtime ban from Friday night which may severely affect maintenance and repair work on telephone and telex systems, as well as installation of new machinery. Back Page

### Caroline weds

Princess Caroline of Monaco, 21, married 38-year-old French financier Philippe Junot in a private civil ceremony at Monte Carlo's Royal Palace. All Monegasque adults were invited to a champagne reception immediately afterwards.

### White's rights

The U.S. Supreme Court ruled that it was illegal for the University of California medical school to reserve places for blacks and other minorities at the expense of better-qualified whites. Page 4

### Off the scent

Labour's National Executive Committee failed to decide yesterday on whether to pledge to outlaw some field sports in its forthcoming election manifesto. The issue has been remitted to the party's Home Policy Committee, which may be urged to remove fox-hunting from the list. Page 9

### New inquest

Three High Court judges ordered a new inquest on ex-boxing coach Liddle Towers, who died in 1976 from injuries after being arrested by police. The "justifiable homicide" verdict returned at Newcastle was set aside.

### Briefly . . .

Prince Michael of Kent and Baroness Marie Christine von Reibnitz arrived in Vienna, where they will be married in a civil ceremony tomorrow.

Mrs. Kitty Milinaire, daughter-in-law of the Duchess of Bedford and self-confessed gambler, was cleared at Knightsbridge Crown Court on two charges of stealing gems from Cartier's of Bond Street.

Polish and Soviet cosmonaut in a Soyuz spacecraft linked up with the Salyut station, joining its two-man crew.

Egypt: Twenty students were killed when a mortar shell left from the 1973 war with Israel exploded in Damietta, 100 miles from Cairo.

### BUSINESS

## Equities down as Gilts waver

● EQUITIES were inactive in this year's lowest level of trading. The FT 30-Share Index closed 1.0 down at 455.3.

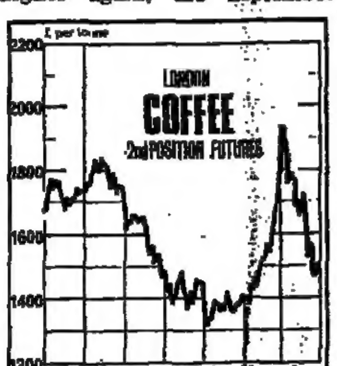
● GILTS wavered in speculation on a further rise in MLR, falling 0.24 to 69.01.

● STERLING remained firm in quiet trading, closing 70 points up at $1.8545. The pound's trade-weighted index rose to 61.4 (61.3) and the dollar's depreciation widened to 7.0 (6.8) per cent. The dollar tumbled to a new post-war low of 203.90 against the yen, but rallied at the close to 204.80 (206.10).

● GOLD rose $½ to close at $185¾. The New York Comex July settlement was 184.40 (184.90).

● WALL STREET closed 2.60 up at 819.91.

● COFFEE prices finished higher again, the September




position closing at £1,506 a tonne, up £17 on the day.

### Rover peace hopes grow

● TRANSPORT drivers at the Rover, Solihull, plant meeting today are likely to be urged by their union convenor to return to work, ending their strike over a sacked colleague which has cost £42m in lost production. Back Page

● EEC has agreed to press for important changes in rules governing world trade in the GATT trade talks. The changes involve Britain's main concerns, for example, disruptive imports. Back and Editorial Comment, Page 20

● BRITISH CALEDONIAN has proposed a joint Concorde service with British Airways between London and Dallas/Fort Worth in Texas. Page 8

● ICI AUSTRALIA, off-shoot of the U.K. chemicals group, plans to build a A$500m (£205.35m) petrochemical complex at Port Wilson near Geelong, south of Melbourne. Page 28

● FORD MOTOR chairman, Mr. Henry Ford told a Tokyo Press conference that the U.S. industry would produce more competitive cars to cut Japan's U.S. market share. Page 6

### COMPANIES

● FERRANTI, the electronics and computer group, pre-tax profits rose 49 per cent to £9.12m this year. Page 22

● TRUST HOUSES FORTE pre-tax profits for the six months ended April 30 increased to £12.2m compared with £10.4m which included a £4.1m profit on fixed assets and investments sale. Page 23 and Lex

● MK ELECTRIC HOLDINGS pre-tax profits fell from £3.86m to £3.39m in the year's second half to leave the full-year figure to April 1 down from £6.17m at £5.95m. Page 22

● NATIONAL STARCH Chemical Corporation of the U.S. said it received a favourable internal Revenue Service ruling concerning its proposed acquisition by part of the Unilever group.

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| Bibby (J.) | 230 | + 8 |
| Blagden and Noakes | 236 | + 8 |
| Blundell-Permeglaze | 71 | + 5½ |
| Central & Sheerwood | 82 | + 3½ |
| Dawson Intnl. A | 126 | + 6 |
| Electrocomponents | 443 | + 13 |
| Fortnum and Mason | 725 | + 45 |
| Joseph (L.) | 210 | + 13 |
| Leslie and Godwin | 116 | + 4 |
| MFI Furniture | 102 | + 4 |
| News Intnl. | 250 | + 5 |
| Samuel (H.) A | 284 | + 7 |
| Silentnight | 100 | + 5 |
| Sime Darby | 97 | + 6 |
| Smith (D.) | 106 | + 9 |
| Sotheby PB | 287 | + 6 |
| Thomson Org. | 253 | + 18 |
| Trust Houses Forte | 220 | + 10 |
| Warwick Eng. | 38 | + 6½ |
| Guthrie | 310 | + 20 |
| Kuala Kepong | 78 | + 5 |
| Kulim | 56½ | + 4½ |
| Anglo Amer. Corp. | 322 | + 7 |
| Cons. Murchison | 260 | + 25 |
| Kinross | 370 | + 17 |
| Pacific Copper | 50 | + 4 |
| Stilfontein | 267 | + 10 |
| Unisel | 184 | + 11 |
| Winkelhaak | 723 | + 44 |

**FALLS**

| | | |
|---|---|---|
| Excheq. 9½pc '82 A | £91⅞ | − 1/16 |
| Treas. 14½pc '94 | £114¼ | − ⅜ |
| Bett Bros. | 62 | − 4 |
| Chubb | 123 | − 14 |
| Decca A | 395 | − 15 |
| Hambros | 176 | − 9 |
| Harris and Sheldon | 50 | − 3 |
| MK Electric | 175 | − 5 |
| EZ Industries | 225 | − 10 |
| Sabina Inds. | 64 | − 4 |
| Utah Mining Aust. | 375 | − 15 |

# Liberals force 1% cut in National Insurance increase

BY PHILIP RAWSTORNE

**The Government bowed to Liberal pressure last night and decided to cut its proposed increase in the employers' National Insurance surcharge to 1½ per cent.**

The plan of Mr. Denis Healey, the Chancellor, for a 2½ per cent rise—announced only three weeks ago—was reluctantly abandoned after Mr. David Steel, the Liberal leader, had rejected a final appeal from the Prime Minister for Liberal support.

Provisions for the 1½ per cent compromise rate, to take effect in October, will be included in a new clause to be tabled for the Finance Bill's report stage in the Commons on Wednesday.

Liberal MPs will then vote with the Government to ensure a majority for its passage against the opposition of the Tories.

The Confederation of British Industry said last night that the lower surcharge would be "only a slightly lesser evil." It warned that the move could still cost some 60,000 jobs and worsen the balance of payments by £180m a year.

The increase will raise the employers' costs by some £60 to about £500 a year for each employee. "We believe a 10 per cent rate of value-added tax would have had a less damaging effect," the CBI added.

*The 1½ per cent rate will raise* about £300m this year—£140m short of the total needed to offset the revenue lost to the Government in the tax cuts forced by Opposition votes in the Finance Bill committee.

*Mr. Healey* is expected to announce next week whether he will seek to recoup this shortfall by other means.

Both the Prime Minister and the Chancellor have been *opposed to any increase in VAT* or reductions in public expenditure, and the signs last night were that they would probably *accept the loss rather than risk* further trouble in the Commons.

Last night's Government retreat came after Mr. Steel and Mr. John Pardoe, the Liberals' economics spokesman, had been called to a meeting at the Commons with Mr. Callaghan, Mr. Healey and Mr. Michael Foot, Leader of the House.

The Prime Minister's appeal for support for the 2½ per cent increase in the Commons vote next week *was instantly rejected.* But the Liberal leader said he was prepared to ask his 12 MPs to vote for a 1½ per cent increase—roughly what the Liberals had offered the Chancelor before the Budget in exchange for cuts in the higher tax rates.

Mr. Steel and Mr. Pardoe urged the Prime Minister to use the National Insurance surcharge as a weapon against excessive pay settlement in the private sector in thenext phase of pay policy.

*Mr. Steel* said later that they had proposed, in line with long-held Liberal policy, that the surcharge *increase should not be levied on employers who under*took to observe any Phase Four pay guidelines.

Mr. Calaghan and Mr. Healey agreed politely to consider the proposal.

But it was later pointed out that the Government had considered such ideas previously and found them impractical.

**Other Finance Bill concessions Page 7**

# Hambros talks on Norway shipping guarantees

BY CHRISTINE MOIR

THE NORWEGIAN shipping industry, which has some £280m loans secured by guarantees from the Norwegian Government, is anxiously awaiting the outcome of negotiations between Hambros Bank and the Government-backed Norwegian Guarantee Institute for Shipping.

At issue are Hambros loans—thought to be about £50m—to the loss-making supertanker operators, Reksten. Made in 1974, the loans were renegotiated in 1976 when the Norwegian Government guaranteed them. The guarantees expire at the end of 1979.

Hambros wants the guarantees renewed but it is meeting opposition from the Institute.

The Institute claims that since it provided the guarantees in 1976 the value of the tankers against which they are secured has fallen by a third. As a result, the Institute is reluctant to continue bearing the brunt of substantial potential losses.

Although neither side has issued a statement, there is widespread speculation in the Norwegian Press that the Institute is demanding that Hambros take at least some of these losses "on the chin."

It wants Hambros to accept reduced guarantees and make substantial write-offs on the Reksten debt.

In a television interview on Tuesday night, Mr. Hallvard Bakke, Norwegian Minister for Trade, said that he backed the Institute's hard line, a statement which has created consternation among other shipping companies and the shipbuilders.

They fear that this could create a crisis of confidence over all the loans which have so far been guaranteed by the Institute.

Mr. John Clay, Hambros' deputy chairman, yesterday refused to comment on the Minister's statement. He could not say what action the bank might take if the Government persisted in its attitude.

However, he did stress that the issue involved the possibility that Norwegian ships could end up in a break-up sale at the end of 1979.

Hambros has already had to face losses of £9m on its loans to Reksten which arose from the "Julian" loan in 1974 which was financed by a consortium.

Hambros had to take over the entire loan—thought to be about £60m—in 1975 and made a full statement saying that the loan was completely secure.

The security was provided by guarantees from the newly formed Guarantee Institute, but not without restrictions.

Hambros was required to take a 10 per cent stake in Trajan, a new Reksten subsidiary, in return for which it had to reduce its loans to a level which the *Institute would guarantee.*

This reduction showed up as a £4.3m exceptional loss in Hambros' 1976 accounts, reflecting a true £9m write-down pre-tax.

In Oslo yesterday, representatives of the ship owners asked for an immediate meeting with the Minister.

While they left the meeting saying that they had been reassured that the Government intended to continue its support for the industry, the underlying anxiety will not abate until the negotiations are over.

*Of Norway's total foreign debt* of £10bn, about a third is connected with shipping.

**Lex Back Page**

# UK may accept Senate changes

BY DAVID FREUD

SIGNS ARE growing that the British Government will accept the U.S. Senate's removal from the *Anglo-American double taxation treaty* of the controversial clause curbing states' rights to tax on a unitary basis.

*At the same time it emerged* that Alaska, one of the three states proposing to apply unitary taxation to foreign companies, has abandoned the idea as far as oil production and transport is concerned.

Unitary taxation is applied on a formula based on a company's world-wide income and not only on profits generated inside the State.

The Alaskan legislature has decided that in the case of oil companies it is easier to tax on the basis of actual production, less expenses.

This means that British Petroleum, the only significant UK operator in the State will not, as it feared, have to prepare *world-wide accounts* on a U.S. basis.

BP is now starting to earn profits for the first time in Alaska and the new system of assessment could mean a local tax bill of at least $30m a year and probably much more.

The Alaskan move reinforces the *likelihood* that the UK will not try to make an issue of the loss of the relevant part of the treaty—clause 9.4.

The options open to the UK Government following the ratification of the treaty by the Senate on Tuesday without clause 9.4 are:

To pass a protocol through the Commons accepting the deletion; to seek a compensating concession from the U.S. Treasury; or *to renegotiate from scratch.*

Both the last two would entail long delays, during which the current treaty, first agreed in 1946 and since many times amended, would remain in effect.

It is felt that continuing under the old treaty would be as disadvantageous for the British authorities and taxpayers as for the Americans.

At the same time, the British would be foregoing sums *estimated to be as high as £50m* a year by not closing an anomaly concerning foreign banks in the old treaty. A similar amount is at stake over capital gains on disposals by U.S. groups of North Sea concessions.

The feeling seems to be that the U.S. Treasury's original acceptance of clause 9.4 was a surprising concession and its deletion should not cause the loss of the whole treaty.

# Councils face £25m Swiss loan loss

By Mary Campbell

THE Greater London Council and the London boroughs are likely to lose £25m-£30m as a result of the fall in the value of sterling against the Swiss franc since 1973.

The GLC Finance and Establishment Committee will be given details of the loss at its next meeting on July 7.

By March 1977 the GLC had set aside some £4m to cover its half share of the loss. Further sums are likely to have been set aside since then.

The loss arises from a SwFr 200m seven-year loan arranged by the GLC in October 1973. About half the proceeds of the loan were made available to the London boroughs which will also carry about half the loss.

Unlike virtually all other public-sector medium-term borrowings in foreign currencies in recent years, this loan was made without insurance cover from the Treasury against potential losses arising from exchange rate movements.

Such cover was not at that time available on Swiss franc-denominated loans.

At the time it was made the SwFr 200m loan was worth some £27m. Since then the number of Swiss francs to the pound has fallen from 7.3 to 3.45, with the result that if repaying the loan today the GLC and boroughs would have to find £58m, £31m more than they originally borrowed.

It has made some savings on the interest rate. It has been paying 7½ per cent on its Swiss franc loan, compared with 12 per cent which would have been payable on a sterling loan taken out at the same time.

This saving brings down the total nominal loss so far to between £25m and £30m.

The loan is not due for repayment until 1980, so that the loss is so far only nominal.

In theory exchange rates could move in the opposite direction in the next two years and eliminate the nominal loss.

However, in practice no-one expects the pound to recover against the Swiss franc to the extent of eliminating the loss altogether, while it is possible that by the time of the repayment date in 1980 this might be even larger than it is now.

At the time the loan was arranged it was felt by both the GLC and the London boroughs that the saving in interest was substantial enough to justify the risk of a foreign exchange rate moving the wrong way.

***Continued on Back Page***

**£ in New York**

| — | June 28 | Previous |
|---|---|---|
| Spot | $1.8570-8580 | $1.8540-8560 |
| 1 month | 0.50-0.44 dis | 0.50-0.44 dis |
| 3 months | 1.36-1.30 dis | 1.42-1.36 dis |
| 12 months | 5.10-4.80 dis | 5.30-5.10 dis |

# TWA seeks transatlantic fares rise

BY JOHN WYLES NEW YORK, June 28.

A SIGNIFICANT increase in transatlantic air fares may be triggered by Trans World Airlines which has filed a request *to put up its fares by 5 to 15* per cent.

The application to the U.S. Civil Aeronautics Board is based largely on cost increases which, it says, have created a "pressing need for additional revenue." Since none of these higher costs are particular to Trans World Airlines other major carriers, notably British Airways and Pan American World Airways, are thought likely to be tempted to *follow TWA's lead.*

While stressing that it will retain the cut-price structure which has so radically cheapened transatlantic air travel over the past nine months, the airline wants to raise its budget and stand-by fares by up to 15 per cent.

On the New York-London route the round trip would cost $289 (£157) from November 1 against $256 (£139) last winter.

It is also seeking the first increase in economy fares since November, 1974.

It points out that the CAB has *not allowed any increase in this* fare in nearly four years, during which time the consumer price index has risen by 23 per cent.

The fare increases would apply to transatlantic routes to Europe but not the Middle East. Major cities served by TWA include London, Paris, Geneva, Barcelona, Lisbon, Madrid, Rome, Milan, Frankfurt, Athens, Nice and Dublin.

TWA's proposed increases average 7.5 per cent. The airline says that its international passenger commission expenses have *risen 33 per cent since 1976* and that the new cheap fares structure is significantly raising the costs of its reservations service.

*Promotional discount fares,* said TWA, have reduced its transatlantic passenger yield in the first quarter of 1978 by 3.1 per cent and it argues that the compensating increases in load factors cannot be expected to *continue at the same rate.*

The airline presents an analysis of transatlantic traffic growth which it claims is less spectacular than may at first appear. Much of the traffic increase attributed to discount fares is alleged to be the result of travellers changing their routes in order to obtain the fares.

If adjustments are made for diverted traffic, then between November, 1977, and January, 1978, the actual growth in the London-New York market was 14.9 per cent and not 50 per cent as some surveys have indicated. This rate of increase is broadly in line with traffic growth in *other transatlantic markets* which have not enjoyed promotional fares.

**Michael Donne writes:** British Airways said it had no immediate plans to follow TWA's example and seek rises in Atlantic air fares from this autumn. But it is watching the situation and will take decisions in the light of its experience this summer with the cheap fares now on offer.

Privately, BA and other scheduled airlines on the route say that the TWA move is the first indication that the cheap fares bonanza could well be petering out.

**IATA talks Page 6**

# Lloyd's backs U.S. bid

BY JOHN MOORE

LLOYD'S OF LONDON *formally confirmed yesterday that it had approved the latest* £24m bid by Frank B. Hall, the third largest quoted U.S. broker, for British-based Lloyd's broker Leslie and Godwin.

After some relaxation of a recent and highly controversial Lloyd's ruling, an announcement of the full terms is expected today in a complex package.

Lloyd's issued a carefully worded statement after a morning committee meeting designed to clarify its 20 per cent ruling in the light of the *Hall bid.*

The ruling, drawn up over two months ago, stipulated that no insurance company, underwriting agency, or a non-Lloyd's broker may normally hold more than 20 per cent of a broker seeking recognition.

It explained yesterday that a principal consideration in approving the Hall proposals was "that day to day control *of a Lloyd's broker should lie* in the hands of those with long experience in and knowledge of the Lloyd's market and that financial control should not be in the hands of an insurance company, underwriting agency or non-Lloyd's broker."

Hinting that the committee had relaxed the ruling for the bid, Lloyd's said that "although flexible within the terms of the specific case concerned, *the normal limit of* the equity holding of any acceptable insurance interest in a Lloyd's broker would *not be greater than 20 per cent.*"

Hall is expected to have a 25 per cent holding in the Lloyd's broking interests of Leslie, while Rothschild Investment Trust could hold at least a quarter and possibly substantially more. The trust already holds about 10 per cent of the Leslie equity.



## CONTENTS OF TODAY'S ISSUE



*For latest Share Index 'phone 01-246 8026*

# Holland to go ahead with uranium sales

BY CHARLES BATCHELOR

AMSTERDAM, June 28.

THE Dutch Government today defended in parliament its plan to deliver enriched uranium to Brazil despite its failure to get watertight guarantees against misuse. Mr. Dries Van Agt, the Prime Minister, said the government would not agree to go back to its British and German partners in the project for yet more talks. Refusal to approve the deliveries would do serious harm to Holland's credibility as a negotiating partner, he said.

The government's success in persuading a majority in the lower house to allow deliveries to go ahead depends on the attitude taken by Christian Democratic MPs. Although the Christian Democrats are the senior partner in the two-party coalition government a large number of their own back-benchers are strongly opposed to the uranium export plan.

The right wing Liberal Party is expected to support the government when it comes to the vote although it too wants every effort made to achieve firm guarantees. Labour, the major opposition party, is opposed to the deliveries and is in favour of a motion making all materials likely to lead to a proliferation of nuclear capacity subject to export licences. The Christian Democrats and Liberals together have only four seats more than the combined opposition in the 150-seat lower house and the defection of some of their own back-benchers could lead to a defeat for the government.

This is the second attempt to get approval for uranium exports through parliament. In January the government was forced to withdraw its plan to give immediate approval for the exports. It had to go back to its British and German partners in the Urenco project to see if they would agree to setting out tougher conditions for the deliveries. It also asked Brazil if it would give tighter guarantees. The UK and Germany refused to set tougher terms although Brazil indicated it was prepared to agree to either a permanent or an ad hoc system of storing plutonium produced from the uranium before deliveries start in 1981.

The government informed parliament last week it thought this met the spirit if not the letter of the motion accepted by parliament in January.

The Dutch are under strong pressure from the UK and Germany to agree to allow the exports. Urenco has a uranium enrichment plant at Almelo in eastern Holland and another at Capenhurst, Cheshire and has a contract to supply nuclear fuel to Brazil. The Germans have threatened to build their own plant if Holland cannot agree to the deliveries.

The government view is that Holland would lose any influence in the proliferation of nuclear capacity if it withdrew from the three-nation project. Its opponents fear that Brazil would use the plutonium to produce nuclear weapons. Brazil has not signed the international treaty on the non-proliferation of nuclear weapons.

Continued Christian Democratic party opposition to the government's plan could lead to a crisis in the six-month-old cabinet but political sources in the Hague thought it unlikely the party rank and file would take it this far.

● The largest ship of the Zeeland Steamship Company, British Rail's partner on the Harwich to Hook of Holland route, enters service between Britain and Holland today. She is the 9,000 ton Prinses Beatrix, named after the heiress presumptive to the Dutch throne. She cost £20m and was launched in January at Verolme Sheepswerf's yard at Heusden. Prinses Beatrix is a two-class ship with accommodation for 1,500 passengers by day and 1,026 by night. She can also carry 330 cars.



# Vietnam bid to become full member of Comecon

BUCHAREST, June 28.

VIETNAM HAS applied to become the tenth full member of Comecon, the Communist economic grouping now conferring in Bucharest.

The application had been submitted by Vietnamese Deputy Premier Le Than Nghi to Comecon's policy-making council, now in the second of three days of discussions of new long-term development programmes.

Western analysts believe the move indicates Vietnam's growing alignment with the Soviet Union, the dominant force in Comecon, after many years in which Hanoi leaders sought to maintain neutrality between Moscow and Peking.

At present Vietnam has observed status with Comecon. Other observer delegations attending the Bucharest session are from Laos—also believed now closer to Moscow than Peking—Angola and Ethiopia.

The Soviet Union and its allies welcomed the Vietnamese move for the potential boost that membership of Comecon could give to its economy—but were not ready to make a final decision at this stage.

'Vietnam's entry could cause Comecon problems similar to those that would arise from the expected eventual entry of Portugal and Greece into the European Economic Community.

Although Comecon has a vastly different structure to the EEC, it would have similar problems in absorbing a largely agricultural country, such as Vietnam, still recovering from almost 30 years of war.

The organisation is already struggling with similar problems caused by the entry in recent years of Mongolia, another close political ally of the Soviet Union on China's borders, and Cuba.

The question of Vietnamese membership is unlikely to be finally decided at least until next year's council session in Moscow, which will mark Comecon's 30th anniversary. But it is more likely that Hanoi will have to wait two or three years.

Reuter

**Paul Lendavi in Vienna writes:** Soviet Prime Minister Alexei Kosygin and his two deputies, Mr. Nikolai Baibakov and Mr. Vladimir Kirillin, called at the opening session of the Comecon council meeting in Bucharest to speed long-term economic co-operation.

Mr. Baibakov, as chairman of the committee on co-operation in planning, told the meeting that long-term programmes were complete for fuel, energy and raw materials, engineering, food production and agriculture.

# The Giscard visit: co-operation and conflict in ties with Spain

BY ROBERT GRAHAM

MADRID, June 28.

Premier Adolfo Suarez: circumspect on Africa.

President Giscard d'Estaing: important step for Madrid.

THE RESTORATION of democracy in Spain placed the Government in a quandary over where to put visiting heads of State. General Franco's former residence, the Pardo Palace just outside Madrid, was rejected as unsuitable. In the end the Government opted for the former home of the Spanish monarchs at Aranjuez some 60 km from the capital. At considerable expense this palace has been restored and modernised, and today opened its doors to its first formal guests, the French President, M. Valery Giscard d'Estaing and his entourage.

It is highly appropriate that President Giscard d'Estaing should be inaugurating Spain's new residence for visiting heads of state. He was the most senior foreign representative present at th proclamation of Juan Carlos as King of Spain in November, 1975. He is now the first head of state of a European country to come on an official visit to Spain. Moreover, France and Spain, apart from being neighbours, are major trading partners. Spanish exports to France account for 20 per cent of total exports and France is Spain's biggest single trade partner.

The visit symbolises the closeness of the two countries. But the relationship is not without strains and there is a gap between the expressions of friendship and how they are translated on the ground. This gap can be found in two principal areas—foreign policy regarding Africa, especially the future of the former Spanish Sahara, and the broad topic of Spanish entry into the EEC.

On foreign policy, France is anxious to ensure full Spanish support for its initiatives in Africa. The Spanish are sympathetic to the general idea of an activist French role in Africa to protect Western interests. But they hold reservations over the extent to which this support should be public. Yesterday Premier Adolfo Suarez returned from a two-day visit to Morocco which has prompted talk of a Paris-Madrid-Rabat axis for North Africa. But although this would be attractive to France and Morocco—both as a means of containing the Polisario Liberation Movement in the Sahara and of supporting Mauritania and Chad, the weak North African links dependent upon France—the Spanish have to be more circumspect.

Algeria is an important trading partner for Spain and Madrid is trying to mend fences with Algiers in order to cool the issue of Canaries independence and Algerian support for the small Canaries liberation movement, MPAIAC. Algeria has strongly attacked the creation of a closer alliance of Spain with France and Morocco. Indeed if the three were to move closer together it would probably complicate any negotiation with Algeria over the future of the former Spanish Sahara as well as harden Algerian attitudes to Canaries independence.

The French position on Spain's entry into the Common Market remains equivocal and, in one important respect, contradictory. France has strongly supported the establishment of democracy in Spain. Within the EEC a principal reason for supporting Spanish membership has been the argument that this would serve to reinforce the democratic process in Spain. Yet of all the EEC members France has consistently displayed the most negative attitude towards Spanish membership. Both the Spanish Socialist and Communist Parties have been privately critical of the attitude of their French colleagues on this.

In a recent paper prepared by the Ministry of European Affairs here, the French agricultural lobby is bluntly described as the grouping "most reluctant" to accept an enlargement of the Community. The contacts held so far with French officials have not diminished the Spanish fear of the potential strength of this opposition and its influence on official French policy. Few believe here that despite the cordiality of this four-day presidential visit M. Giscard d'Estaing can offer satisfactory assurances.

The decision by Spain to opt for the purchase of 48 Mirage F-1 aircraft against U.S. competition is seen here as a gesture to France of a desire to collaborate. But the Spanish want to make the point that such gestures cannot be unilateral. By defering to French pressure on the purchase of new military aircraft they do expect something in return.

The French have recently complained of the imbalance in trade with Spain. Last year Spanish exports exceeded imports of French goods by Fr 1.5bn—a major change after years of deficit.

# Barcelona dockers ordered to work

BY DAVID GARDNER

BARCELONA, June 28.

THE CIVIL GOVERNOR of Barcelona last night ordered dockers in Barcelona's ports, who have been operating a go-slow, since May 4, to return to normal working within 24 hours. The ultimatum threatens the dockers with automatic dismissal, and possible charges of sedition.

The Port of Barcelona is a major outlet for manufactured and semi-finished goods, and the two month old conflict has led to a 10 per cent surcharge being imposed by several international conference lines. Two more conference lines—River Plate Mediterranean and Brazil Mediterranean—have joined the U.S. based Melgulf and Iberian conferences in introducing the surcharge, while the West Coast conference is reportedly considering similar action.

But although local industrialists have expressed growing concern at the possible loss of contracts if the situation deteriorated further the Civil Governor's decision was unexpected. Basing himself on laws relating to public order and strikes in public services, the Civil Governor proposes to send replacement labour into the docks under para-military police escort.

The two principal demands of the dockers call for a phasing out of the present system of piece work, and an improvement in safety conditions. A man was killed three weeks ago by a falling bale and this morning a tragedy was narrowly avoided when a cable snapped releasing a container on to a spot where dockers had been working minutes beforehand.

The dockers maintain that their demands were ignored in norms issued two weeks ago, by the Government, and are due to hold an assembly late this evening to reply to the ultimatum. Trade union sources think it likely that the assembly will decide to renew normal working, and fight the Governor's order through the courts. But none of the mainline trade unions have won control over Barcelona's 1,800 dockers and it is doubtful that productivity, down 60 per cent according to port authority sources, will greatly improve in the present climate of hostility.

● Gunmen believed to be Basque separatist guerrillas have shot dead a Bilbao newspaper editor in a new upsurge of political violence.

Jose Maria Portell was ambushed by youths armed with pistols and machine-guns as he left home for work.

Bilbao police said the style of the attack pointed to ETA, which is fighting to make an independent, Marxist state of the four Spanish and three French Basque provinces.

Reuter

# Greece [illegible] higher trade deficit to May

By Our Own Correspondent

ATHENS, June 28.

A 10 PER CENT [illegible] imports and [illegible] exports resulted [illegible] for Greece [illegible] first five months [illegible] compared with [illegible] $1.53bn in the same period last year.

According to figures [illegible] by the Bank of Greece [illegible] in January-May totalled [illegible] while exports [illegible] 3.2 per cent to [illegible].

The trade deficit was covered by a [illegible] crease in invisible [illegible] which totalled $1.8[illegible] came [illegible] which was up [illegible] $420m [illegible] shipping [illegible] per cent [illegible] emigrants' remittances [illegible] creased [illegible] "invisible" payments [illegible] $403m, leaving a deficit on current account of [illegible] January-May this year [illegible] crease of [illegible] same period of 1977.

Last week the Government announced a series of [illegible] meant to combat inflation [illegible] curb imports of luxury [illegible].

● Considerable interest was expressed by Arab [illegible] and [illegible] in Greek [illegible] projects in Greece during a three-day [illegible] investment meeting which [illegible] in Athens today.

While no immediate [illegible] Arab investments in Greece [illegible] expected from the meeting [illegible] was generally agreed [illegible] was a wide range of [illegible] ties for an increase in [illegible] expanding co-operation between Greece and the Arab world.

More than 100 Arab [illegible] investors, lawyers [illegible] economists from 11 Arab countries participated in the meeting.

They were presented with economic profiles of 70 specific investment projects for which Greek businessmen [illegible] Arab capital either [illegible] equity participation or [illegible] loans. Many of the projects concerned expansion of existing Greek plants which would export all or a large part of their production to the Middle East.

They also included several large projects planned by state agencies such as the $640m petro-chemicals complex by the Hellenic Industrial and Mining Investment Company. Interest in this project came from [illegible]

# Paris daily newspaper closes down

By David White

PARIS, June 28.

ANOTHER FRENCH national newspaper bit the dust today. The Quotidien de Paris, a centre-left tabloid just over four years old, left the scene with something of a whimper in an edition of eight pages.

Its fragile finances, overshadowed by more sturdy competition, finally gave in under the pressure of a strike yesterday by part of its editorial staff.

As M. Philippe Tesson, editor-in-chief, said in his parting editorial, the Quotidien was always "more of a promise than an accomplishment." Its print-run after the first few numbers was never more than 35,000 and its circulation was at best 25,000

The Quotidien was distinguished, if by nothing else, by a flair for headlines, cleverer, apter and above all briefer than other French newspapers with serious pretensions. This morning's was, however, just a melancholy "The Last Quotidien," echoing the last bow in December of the short-lived J'Informe.

J'Informe, set up as a pro-Government alternative to the evening Le Monde by M. Joseph Fontanet, a former Centrist Minister, lasted three months

# French Cabinet approves 3.8% rise in basic wage

BY DAVID WHITE

PARIS, June 28

FRANCE'S BASIC wage, the SMIC, goes up next month by a slightly larger than expected margin of 3.8 per cent.

The new rate decided at a Cabinet meeting today pegs the minimum hourly rate at FFr 10.85 (£1.29) bringing the increase over the last 12 months to 14 per cent compared with a 10 per cent rise in living costs.

The SMIC, which represents the basic earnings of about 700,000 French and immigrant workers, is automatically increased with every 2 per cent rise in inflation.

The latest rise means an effective increase in purchasing power of 1.7 per cent, compared with just over 1 per cent when it was last increased in May. But is is clear that the Government is expecting part of this gain to be eroded when this month's cost of living figures come through. The May index went up by 1 per cent after price increases for public services and this month's index has to take into account increases on tobacco and petrol.

In a batch of labour conflicts the only sign of progress is that Renault is hoping for an early resumption of talks with the press-shop strikers who have cost the company production of 20,000 cars at Flins. Talks were suspended pending a return to normal working.

During the night, about 30 strikers who had reoccupied the press-shop after riot police withdrew on Tuesday were evicted in a scuffle with non-strikers armed with crowbars.

There were clashes today at picket lines in the Moulinex strike, where management and unions yesterday failed to reach agreement.

The strike movement in the Government's munitions plants and naval yards, now in its third week, shows no sign of easing. A poll in the arsenal at Brest yesterday showed 76 per cent in favour of staying out.

## German living costs

The West German cost of living index rose 0.3 per cent in June after a 0.2 per cent rise in May, according to provisional figures from the Federal Statistics Office, Reuter reports from Wiesbaden. The index (base 1970) showed a 2.5 per cent gain this month over June last year, after a 2.7 per cent year on year increase in May.

# Parties still at odds over new Italian President

BY PAUL BETTS

ROME, June 28.

ON THE eve of the first ballot of the Italian presidential election there still appears to be no all-party consensus on a candidate to succeed Sig. Giovanni Leone who resigned earlier this month.

The sudden resignation of Sig. Leone following a series of so far unsubstantiated allegations of corrupt practices has presented the main political parties with a decision they had hoped to avoid until the end of the year, when Sig. Leone would have completed his seven-year term.

Coming so soon after the kidnapping and assassination of Sig. Aldo Moro, the former Prime Minister, the presidential elections, which are likely to be a protracted affair, are expected to act as a further serious obstacle to the attempts of the Christian Democrat minority Government to introduce its long overdue economic and social recovery programme.

The first ballot also falls as an International Monetary Fund team led by Mr. Alan Whittome, the Fund's European director, arrives here to review the Italian economy and open formal negotiations for a new standby facility of some $1bn. The Italian Government is understood to have hoped to negotiate the new facility before the August holidays but, with the presidential elections, this looks a remote possibility.

At the same time, the main political parties directly supporting the minority Government, clearly do not want to precipitate a confrontation over the presidential elections which could have serious repercussions on the fragile governing formula.

The Socialists and the smaller parties have been irritated by what they regard as a lack of consultation over the resignation of Sig. Leone by the two largest parties, the ruling Christian Democrats and the Communists. In turn, the Socialists have insisted on the nomination of a Socialist President, much to the annoyance of the Communists, who have been forced to harden their line towards a Christian Democrat candidate.

However, after the initial sparring, all the parties appear intent on avoiding an acrimonious contest, although they all want to demonstrate—at least on the surface—a degree of independence to their respective electorate.

At tomorrow's first secret ballot, the main parties are expected to put forward what are generally regarded as their token candidates, merely to test the mood of both houses of Parliament and the 58 representatives of the regions who elect the new President.

Next week, after the first four ballots requiring a two-thirds majority of the 1,010 voters (630 deputies, 322 senators and 58 regional representatives), the names of the more likely presidential candidates are likely to emerge, if an inter-party agreement has not been reached earlier in the course of the traditional frantic lobbying. Subsequent to the first three ballots, only a straight 51 per cent majority is necessary to elect a President, leaving a larger area for party manoeuvres.

Of the possible candidates, the names consistently voiced in the past days are Sig. Benigno Zaccagnini, the reformist secretary-general of the Christian Democrat Party, Prime Minister Giulio Andreotti, Sig. Antonio Giolitti, one of Italy's two EEC Commissioners who would have Socialist backing, and, less likely, the veteran Republican Party leader, Sig. Ugo La Malfa.

● A seaside villa owned by the son and daughter of former Deputy Premier Ugo La Malfa was damaged today by fire bombs, police told Reuter in Rome.

Sig. La Malfa, who uses the villa south of Rome, has served in many coalition Cabinets and supports Communist participation in Government austerity plans to restore the Italian economy.

# Use of bio proteins to feed animals officially limited

BY OUR OWN CORRESPONDENT

ROME, June 28.

THE ITALIAN health council said after a meeting here tonight that bioproteins could only be used at present to feed animals not reared for human consumption.

The council's decision now awaits formal ratification by the Health Minister, Signora Tina Anselmi.

The bioprotein issue, and possible health hazards associated with the substance, have been the subject of heated debate in Italy during the apst eight years. At the centre of the controversy are two Italian chemical groups —the State-controlled ANIC concern and Liquichimica—which have been awaiting permission to produce bioproteins at completed plants in Sardinia and Calabria.

However, since 1976 the two groups have been authorised to produce not more than 40,100 tons annually of bioproteins on an experimental basis and not for commercial use.

Repeated delays by the health authorities in ruling on the issue led to a decision this year by ANIC and its partner, British Petroleum, to liquidate their £40m joint venture at Sarroch in Sardinia.

## New chief for Bank of Italy

By Our Own Correspondent

ROME, June 28.

SIG. CARLO CIAMPI was appointed Director-General of the Bank of Italy today after the resignation of Sig. Mario Ercolani, who is about to reach the retirement age of 65.

Sig. Ercolani's decision to retire is widely thought to have been taken to ensure an internal nomination to his post and to avoid outside political interference.

The new Director-General, who is 57, was formerly a deputy Director-General and has worked for the bank since 1946. It is understood that Sig. Ercolani may join the Treasury to reinforce the team of the new Treasury Minister, Sig. Filippo Pandolfi.

## Communists may run San Marino

SAN MARINO, June 28.

SAN MARINO'S Communist Party was today asked to form a new Government after the Christian Democrats failed to put together a centre-left Administration.

The two Captains-Regents of the republic, on the hills near Rimini on Italy's Adriatic coast, handed the Communists an official mandate and asked them to report back by July 5.

It is the second time this year that the Communists have been asked to form a Government. Their first attempt failed and led to inconclusive general elections in May.

Reuter

# Moscow-based U.S. journalists accused of slander

MOSCOW, June 28.

THE MOSCOW CITY COURT today served two U.S. correspondents with a writ for slander in an unprecendented action against Western journalists. The action involved the reporting by the Americans of a dissident's televised confession.

In the writ brought by the state television committee, Mr. Craig Whitney of the New York Times and Mr. Harold Piper of the Baltimore Sun were accused of publishing false information and slandering television employees.

The suit was the first connected with the work of Western correspondents in the Soviet Union. It demanded a printed retraction of articles written by the two men, which quoted the dissident's family in Tbilisi, capital of Soviet Georgia. The action is the latest development reflecting the recent dip in relations between Moscow and Washington.

As Mr. Whitney and Mr. Piper were in court today, the U.S. embassy was dealing with the case of seven Soviet Pentecostalists who dodged past Soviet police outside the embassy building to seek U.S. assistance. The Pentecostalists, who ran into the embassy yesterday and spent the night in armchairs, said they would not leave until the Soviet authorities gave them permission to emigrate.

Embassy officials said today that the church group — five members of the Vashchenko family and another Soviet woman and her son—would not be forced to leave. However, when the group does leave, which is probable eventually, it faces almost inevitable prosecution. The dilemma of the U.S. diplomats is all the more acute in the light of President Carter's criticism of the Soviet record on human rights.

Another U.S.-Soviet wrangle was somewhat defused yesterday by a three-prisoner agreement between Moscow and Washington. One of the prisoners, a U.S. businessman, was resting today after being released from a KGB security police jail.

The two correspondents are accused under an article of the civil code giving citizens the right to receive a retraction from someone who has impeached their honour and dignity. They must now appear in court on July 5 to hear the complaint that they "denigrated the honour and dignity of members of the State Committe for Television and Radio."

In the articles cited, the journalists quoted sources close to the family of dissident writer Zviad Gamsakhurdia as saying they believed the authorities had fabricated the televised confession. Mr. Gamsakhurdia was one of two members of a Helsinki accord monitoring group in Tbilisi sentenced to labour camp and exile last month.

About 30 correspondents, representing most of Moscow's Western press corps, waited in the anti-chamber of court while Whitney and Piper received the writs.

The Soviet authorities have recently stepped up harassment of journalists covering dissident events, an activity the authorities regard as hostile. In recent weeks, reporters have been subjected to intimidation in the streets, photographed and filmed at close quarters, and hosed down with water. Today three correspondents who covered a dissident trial returned to find that a tyre on each of their cars had been let down.

Reuter

TOURISM IN EAST EUROPE

# Seeking a place under the Socialist sun

BY LESLIE COLITT IN EAST BERLIN

EAST GERMANS are displaying a yearning for far-away places that has made this country's citizens the leading travellers in COMECON. From the beaches of Bulgaria to Soviet Central Asia, East Germans are making up for the many years when they could only leave their country with the greatest difficulty even for other Communist countries.

Frau Hanna Mersemann from Dresden has ranged farther afield than most East German holidaymakers, but she does illustrate the Wanderlust at large here. This past winter she took a cruise to Cuba and this summer she is off with her husband to the Caucasus Mountains. As the wife of a plumber with his own flourishing shop, there is money to be spent. There is, however, one place Frau Mersemann says she would like to go but no amount of money will buy her a trip there — West Germany. "Just for a week to see the Rhine and the Alps," she says wistfully.

Out of a population of 17m East Germans made nearly 12m trips outside their country in 1976. From other bloc countries, the Czechs come second, with trips abroad for 54 out of 100 inhabitants. Then come the Hungarians and the Poles and, at the bottom of the list, are the Romanians with two trips out of the country and Soviet citizens with one trip per 100 inhabitants. That Soviet citizen is likely to be an official on business.

The East Germans make 2.8m trips abroad, many of them to West Germany. This, however, is almost wholly accounted for by pensioners who are allowed to visit the West for 30 days a year once they reach retirement age. Far fewer Hungarians, Poles or Czechs reach the West. But there are no age limits for them and qualifying is largely a question of obtaining enough hard currency.

Mass travel across Eastern Europe's borders began in January 1972 when East Germany and Poland dropped visa requirements for each other's citizens. Last year Poles made 7m trips to East Germany or 67 per cent of all the foreign trips made by Poles while East Germans visited Poland on 4m occasions. Poles are attracted mainly by better stocked East German stores than by the scenery, and restrictions have again been imposed on their travel to East Germany to preserve shop inventories.

Currently Poles who buy East German currency must pay a 23 per cent fee for East German marks while East Germans get a 14 per cent bonus in zlotys for their marks. The Poles are also limited to a fixed amount of both East German marks and Czechoslovak crowns each year and there is a thriving Polish black market in both currencies. Czechoslovakia has also dropped visa requirements but limits the amounts of crowns which East Germans or Poles may buy. One reason is that more Western goods are available at lower prices in Czechoslovakia than in the other two countries.

East Germans travel to Poland and Czechoslovakia on week-end trips and summer holidays with the great majority making their own arrangements. Hotels are especially scarce in Poland where the existing rooms are taken up by Westerners. To the younger East Germans the exposure to Polish ways is a revelation. One East German student says that crossing into Poland is like taking a breath of fresh air. He praised the relative freedom in Polish youth hostels where young East Germans can meet Westerners and other East Europeans and mingle with them as is not possible at home.

Older East Germans often only seem to find their preconceptions about Poland confirmed.

For citizens of Poland and Hungary there are fewer political barriers to travelling to the West than monetary ones. Citizens of these countries can get permission and exchange money for travel to the West every three years on average. In Czechoslovakia one can buy a maximum of $220 for the trip which is the equivalent of 2½ months' average wages. In Hungary one can get $200 and in Poland $130 which is the equivalent of 1½ months' wages.

Package tours to the West can also be booked through the state travel agencies but only 3 per cent of the Czechs who travel to the West do. The reason is that a two week air trip to the Costa Brava and Madrid with hotel, full pension and $60 pocket money cost the equivalent of six months' wages in Czechoslovakia.

East Germany's state travel office this year offers several trips to other Socialist countries ranging from a two-day excursion to neighbouring Lower Silesia in Poland for 278 marks to a 14-day grand tour of the Soviet Union for 1,610 marks. For years East Germans avoided travel to the Soviet Union but now a growing number of them are taking in Sochi on the Black Sea. One East German sums up his impressions after a trip through the Soviet Union as "overwhelming, but naturally you can't compare their way of life with ours."

East Germans who stay at home during the summer try to visit the Baltic Sea where over 2.5m of them spend their holidays at trade union homes or camping on hopelessly overcrowded grounds. A 13-day stay at a union home costs 50-52 marks with full board for an adult and 30 marks for children. Rail fares for the holiday trip are reduced by 33 per cent. The many others who do not get a room near the Baltic either try for a trade union home at the Lakes to the north of Berlin or in wooded and hilly Thuringia. Summer holidays go on sale in the dead of winter and the queues which develop are reminiscent of those outside shops in the early postwar years when bananas arrived.

National enterprises are also so eager to build holiday camps for their employees that Government planners complain that construction materials are being haphazardly shifted from one part of the country to the other.

One factory in the Leipzig area in the south of East Germany is being criticised for shipping tons of building material and equipment and sending dozens of its own workers to a lake in the north of East Germany where they erected a holiday camp. The bungalows have been completed in time for summer occupancy while an important factory extension is said to be hopelessly behind schedule.

# NATO fears of Soviet arms offer to Turkey

By Jurek Martin

WASHINGTON, June 28.

THE SOVIET UNION has offered Turkey arms supplies not available from NATO sources, the allied commander in Europe told Congress today.

General Alexander Haig was testifying, with Mr. Cyrus Vance, Secretary of State and Dr. Harold Brown, Secretary of Defence, as part of the Carter Administration's drive to secure repeal of the partial embargo on arms sales to Turkey.

General Haig said he was confident that when the chief of the Russian armed forces visited Ankara last month "there were blandishments offered for items no longer available through western sources."

He predicted that if the embargo were not lifted and Soviet-Turkish relations consequently improved, as many as 50 Warsaw Pact divisions could be redeployed away from the Balkans for possible use in Europe.

In addition, General Haig said that Turkey would expel U.S. forces stationed there and would itself re-orient its own military resources away from the border with Russia to the frontier with Greece.

In that event, Turkey would continue to work to prevent the reintroduction of Greece into the integrated NATO military command structure.

Mr. Vance agreed that ending the Turkish embargo would impose new strains on American relations with Greece, but he said he did not think the stability of the Greek Government would be jeopardised as a result.

# AMERICAN NEWS

## Producers complain at steel import level

By John Wyles

NEW YORK, June 28.

ALTHOUGH U.S. steel imports declined last month, U.S. steel producers are complaining that the fall was far less than they expected and are raising questions about the adequacy of protection afforded by the Government's trigger-price system.

Mr. Frederick Langenberg, president of the American Iron and Steel Institute, said yesterday that much of the industry was "alarmed and surprised" at the volume of imports in May, when the trigger-price mechanism was expected to have its first significant impact. "We thought imports would be close to 1m tons," he complained.

Instead the Institute's figures pointed to a volume of 1.51m tons of imported steel, 30 per cent lower than the April figure and 17 per cent down on May 1977.

Some of the steel industry's indignation can be attributed to its desire to maintain pressure on the administration to reform the trigger-price system, but on the surface it seems possible that the Institute may be correct in forecasting steel imports for this year higher than the 14.5m tons predicted when the Government's plan was unveiled late last year.

In a dash to get under the trigger barrier, importers placed huge orders for foreign steel at the beginning of the year, so that in the first five months of 1978 imports totalled 9.43m tons, which is 51 per cent higher than the volume imported in the same period last year. The U.S. Treasury's view is that the May figure was inflated by the late arrival at the customs service of import documents for steel which was actually landed in April. As a result, the Treasury believes the June figures will show a substantial decline.

The bulge in imports is attributed to the fact that the Treasury allowed all fixed-price contracts placed before January 9 to be imported by April 30 without reference to the trigger price system. Introduced in mid-February, the mechanism sets minimum prices for steel imports based on the costs of the world's most efficient producer, Japan. Steel imported below the trigger-price is liable to accelerate a Treasury anti-dumping investigation.

## Entebbe raid passengers sue airlines

NEW YORK, June 28.

PASSENGERS ON the hijacked airliners stormed by Israeli commandos at Uganda's Entebbe Airport in 1976 have filed a civil suit here claiming $130m in damages from Singapore Airlines and Gulf Aviation. The suit, filed in Manhattan Supreme Court on behalf of 194 passengers and the families of four passengers, claimed that the two airlines were accessories and accomplices to the hijacking by pro-Palestinian guerrillas.

It said investigations had shown that the airlines allowed the hijackers aboard flights from Kuwait to Athens carrying heavy arms and explosives. At Athens the guerrillas boarded a Paris-bound Air France airliner and hijacked it to Entebbe. It was held there for nearly a week before Israel launched its raid to free the passenger hostages.

The suit alleged that Singapore Airlines and Gulf Aviation failed to take proper security measures and "by their acts and omissions aided and abetted the hijackers."

A $145m suit against Air France, filed in Chicago by 45 passengers on the hijacked flight, is still pending.

Reuter

## Supreme Court bans college race quota admission rules

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, June 28.

THE U.S. Supreme Court today resolved one of the most controversial cases it has heard in years—concerning "reverse discrimination" against white Americans—in a series of rulings which, taken together, appeared to offer some degree of satisfaction to all sides.

The court ruled, by five to four, that a state university in California was wrong to deny admission to a white man, Mr. Allen Bakke, because it reserved a certain number of places for members of minority groups.

But, at the same time, the court ruled that it was proper for institutions to take into account racial considerations in framing admissions policies. While the court declared invalid the quota system operated by the Californian university, its ruling would appear to leave intact the considerable number of public and private "affirmative action" programmes at many levels of society which seek to promote opportunities for those who have suffered discrimination in the past because of their race and sex.

The Bakke case had been of consuming interest to the U.S. Government, to minority groups, educational interests and civil libertarians. It had been perceived as one of the great litmus tests of the legally-backed progress towards equality of opportunity in U.S. society, in which great strides have been made since the famous Brown versus Topeka, Kansas, Board of Education ruling in 1954, which outlawed discrimination on racial grounds in the public school system.

This interest was reflected in the fact that the nine justices of the court today wrote six different opinions on various aspects of the case. But—on the two key issues (upholding Mr. Bakke and the lawfulness of the use of racial considerations)—the court divided five to four.

Last year, Mr. Bakke, who was twice denied admission to the medical programme at the University of California at Davis, in 1973 and 1974, won his appeal against that exclusion in the state superior court. That body, usually one of the most liberal in the country, ordered the university not to consider race in its admission policies.

But today, Justice Lewis Powell in a key part of the leading opinion, wrote that the Californian courts "had failed to recognise that the state has a substantial interest that legitimately may be served by a properly devised admissions programme involving the competitive consideration of race and ethnic origin."

Justice Powell rejected as "seriously flawed" the university's contention that its admissions programme — which reserved, in 1974, 16 places out of 100 for ethnic minorities—was the only way to achieve ethnic diversity. He cited other universities, including Harvard, which took racial considerations into account without making them a sole criterion for admission.

In a parallel opinion, extending the principle beyond the university sphere, Justice William Brennan stated, "government may take race into account when it acts, not to demean or insult any racial group, but to remedy disadvantages cast on minorities by past racial prejudice."

"Justice Brennan, with three of his colleagues concurring, said that the ruling today affirms the constitutional power of federal and state governments to act affirmatively to achieve equal opportunity for all."

Justice Thurgood Marshall, the only black on the Supreme Court, agreed that race should be a factor in university admissions programmes, but dissented from the verdict that the Californian university practice was unlawful. He thought that countless government programmes might be adversely affected by the verdict.

Four justices, in part, took a relatively narrow view of the Bakke case. They concluded that the 1964 Civil Rights Act meant a race cannot be the basis of excluding anyone from participating in a federally funded programme." These justices voted in favour of admitting Mr. Bakke to the university but, in the words of Justice John Paul Stevens, dissented from the judgment "to the extent that it purports to do anything else."

But civil rights groups generally were relieved today that the court had gone so far as to address itself to the legitimacy of the race question.

The head of the American Civil Liberties Union took similar consolation and estimated that 90 per cent of existing affirmative action programmes would not be affected as a result.

In San Francisco, Mr. Bakke's lawyer said that this constituted a personal triumph for his client, and that he would be entering the university medical school in the autumn.

## U.S. in Pretoria nuclear talks

BY DAVID FISHLOCK, SCIENCE EDITOR

CRUCIAL TALKS between the U.S. Administration and the South African Government open in Pretoria next Monday, aimed at persuading South Africa to sign the Nuclear Non-Proliferation Treaty.

Confirming this yesterday, Mr. Pik Botha, South African Minister for Foreign Affairs, said the discussions would be on matters "of mutual international concern" in nuclear energy.

South Africa has apparently supplanted India as the U.S. Administration's prime target among the nations with nuclear weapon potential which have not yet signed the treaty.

Mr. Gerard Smith, senior State Department official dealing with questions of nuclear proliferation, has already arrived in South Africa with the U.S. response to a package of demands from the South African Government. Mostly these demands concern guarantees of assistance over uranium enrichment, a crucial step in the provision of reactor fuel.

The view in Washington is that if the U.S. Administration accepts these demands, South Africa will be pretty firmly committed to signing the treaty. But South Africa also wants U.S. help in restoring its seat on the Board of Governors of the International Atomic Energy Agency (IAEA), the "watchdogs" on proliferation.

This was a position it held until last summer, as the most advanced nuclear nation in the African continent, but which it lost to Egypt on a political vote. The vote was re-affirmed earlier this month.

The enrichment which South Africa wants from the U.S. includes fuel for its first two power reactors, under construction at Koeberg.

Even though South Africa has its own supplies of uranium and has operated its own enrichment process on pilot scale since 1975, it has admitted that the Koeberg reactors will be delayed by several years if the U.S. Government reneges on an earlier undertaking to provide the enrichment initially.

Still more urgently needed, however, are supplies of highly enriched uranium for South Africa's only existing reactor, the Safari research reactor. The U.S. hitherto sole supplier under IAEA safeguards, of all fuel for this reactor, has authorised no fresh deliveries since the end of 1966.

As a result, it is believed that the power level of the 20 MW (thermal) reactor has had to be reduced to a point where it is no longer a useful tool for nuclear fuel development.

The U.S. Government hopes to persuade South Africa to accept a less highly enriched fuel—35-40 per cent instead of 93 per cent—than it has previously supplied.

● The U.S. Government is understood to be about to make a formal offer to Euratom to reopen negotiations on U.S. enrichment supplies. A formula is being offered which will allow fresh discussions on supplies to begin but which makes it plain that all issues under discussion as part of the two-year international nuclear fuel cycle evaluation will remain outside their scope until the INFCE exercise has ended, late next year.

The new formula, therefore, goes at least part-way towards meeting French objections which have prevented discussion for some months.

## $4bn plan for Canadian industry

BY VICTOR MACKIE

OTTAWA, June 28.

A FUND of $4bn to help industries in Ontario and Quebec adjust to increasing competition from developing countries was recommended today by the Economic Council of Canada.

Part of the 15-year fund could be used to create a development corporation for eastern Ontario and central Quebec, the areas which would be hardest hit by competition, the report prepared by the council says.

Its report, "For a Common Future," assesses Canada's relations with the developing countries. It says that freer trade among nations, such as is being negotiated at Geneva, will give developing countries a comparative advantage over Canada in the production of goods that are labour-intensive and based on to-day's technology.

Trade liberalisation threatens Canadian manufacturing in textiles, hosiery, clothing, leather products, electrical and electronic equipment, sporting goods, and toys, the report says. It claims that 250,000 jobs are at stake, 130,000 in Quebec and 100,000 in Ontario.

The $4bn fund would be used to restructure and reorganise certain industries. The council also proposes that the rate of growth of Canadian aid to developing countries should be moderated.

Savings in aid funds would be applied "in a different manner for essentially different purposes." The encouragement of industry by liberalised trade would be accompanied by the restructuring of Canadian industry to reduce the threat to jobs and manufacturing in Canada.

The 250,000 threatened jobs represent 15 per cent of the manufacturing labour force, and 3 per cent of all jobs in Canada.

RAMIFICATIONS OF PROPOSITION 13

## The California cuts

BY MAURICE IRVINE IN LOS ANGELES

IN ALAMEDA COUNTY, near San Francisco, the chairperson of the local Yes on 13 Committee visited the nearby branch library to borrow a book and found the librarian receiving books but no longer handing them out. The library will shortly be closed because of the economies enforced by Proposition 13, the tax-cutting initiative approved in California on June 6.

In Oakland, 16 police recruits received their diplomas and posed for the traditional Police Academy class portrait. All 16 were handed dismissal notices 30 minutes later. "Sorry," said their chief. "It's a Proposition 13 economy."

In Los Angeles, Mayor Tom Bradley and the city fathers tried to refuse their next pay increase and were told that such an action was barred by law. They can take the money, then hand it back.

In these and 100 other ways, the impact of Proposition 13 is being felt around the state. Although the full extent of the ramifications cannot be known for some months, it is already clear that a great deal more than surplus trimming will be excised from state and local government here.

In the state capital, Sacramento, and in city halls throughout California, officials are struggling with the painful task of deciding what services to cut, which workers to lay off, what charges to increase. One of the first casualties was the entire Los Angeles summer school programme. Some 350,000 students are without classes, while 10,000 teachers and school employees have been sent on an unpaid two-month vacation. San Diego followed the lead of Los Angeles and, according to the education chief, "dumped 45,000 youngsters into the streets."

On Saturday, the motion in Proposition 13 goes into effect, cutting more than $7bn from local tax revenues. To offset this loss, the California Governor, Mr. Jerry Brown and the legislature last weekend came up with a stop-gap programme, under which local authorities will be handed $5bn of the estimated $5.8bn now in the state Treasury.

Schools and colleges will receive the greatest slice of relief—$2.3bn, enough to keep their budgets at about 85-90 per cent of normal. Cities and counties will share $1.7bn, with the legislature directing that whatever funds are required be used to keep police and fire services at present levels.

### Teachers

But this aid is only a temporary cushion. By the next fiscal year, the surplus will be wiped out. The State Assembly Speaker, Mr. Leo McCarthy, warned that the real day of reckoning lay ahead, and predicted deep local spending cuts and more widespread lay-offs.

Already, some 3,000 public employees, nearly half of them teachers, have been laid off, and current estimates are that at least 75,000 more will join them in the coming fiscal year because of public spending cuts. This has led to angry demonstrations in several cities.

In Los Angeles County, Mr. William Robertson, head of the AFL-CIO labour branch, said that he would call for a work stoppage if massive lay-offs or a wage freeze for public employees were announced. Mr. Robertson and a coalition of state employee groups are lobbying for new tax legislation which would benefit homeowners but exclude commercial interests. Some $4.5bn of the property tax savings resulting from the Proposition are expected to go to commercial and industrial property owners. Homeowners will get the other $2.5bn.

Mr. Brown has promised layoffs will be "minimised." But, with the legislature working to slash a further $1bn from a state budget already pared from $17bn to $15.1bn, more dismissals are likely soon.

The governor has been warned that he would lose the black vote in California if he failed to support proposals to exclude businesses from the property tax benefits of the Proposition. The National Association for the Advancement of Coloured People claims that 50 per cent of all lay-offs caused by the Proposition would affect minority groups.

Mr. Howard Jarvis, the 75-year-old millionaire who co-authored the initiative, retorted, "one result of this tax rebellion is that blacks and other minorities will get lower rents, taxes and utility bills. It's the best thing that ever happened to them."

One campaign promise by Mr. Jarvis was that utility rates would be cut by 10 per cent if the Proposition were passed. But electricity and gas companies say that savings to consumers will not be substantial — "less than $1 per month for each customer," said a Southern California Edison official. And there are few signs that landlords intend to pass on their savings to tenants by reducing rents. An isolated example was that of the owner of a Sacramento medical building, who offered to cut rents paid by doctors if they, in turn, reduced patients' bills. The doctors said that they would cut their $21 office visit fee by $1.

### Matching

A side-effect of the Proposition which annoys Californians of all political persuasions, including Mr. Jarvis, is that $2.4bn will flow from the state to Washington in added income taxes as a result of smaller property tax deductions here.

Mr. Jarvis and Mr. Brown called on President Carter to refund this windfall in the shape of "matching funds" which could be passed back to local authorities. But the White House was quick to tell the state that no help would be forthcoming from the federal government.

Another point which alarms many here is that, as local governments look more and more to the state for money, so local control declines. "We seem to be handing over everything but the keys to the courthouse," grumbled one county official.

# OVERSEAS NEWS

## Post-war low for dollar in Tokyo

TOKYO, June 28.

THE Bank of Japan stepped in to prop up the hard-pressed U.S. dollar today after it slid to a post-war record low of 203.10 yen on the foreign exchange market here. Dealers said the dollar responded to the Japanese bank purchases by rallying slightly to Y204.85 in hectic morning trading.

The Bank of Japan spread its purchases through several different Japanese commercial banks at various rates as the dollar fluctuated. This represented a new method in contrast to its previous practice of buying dollars through selected banks.

The banks used for the intervention were ordered not to give any details of the central bank activities. On Monday, the Bank of Japan bought a fairly large amount of the U.S. currency, estimated by some dealers as approaching $200m. But that intervention only succeeded in slowing the decline of the dollar, which accelerated this morning as the rush to exchange dollars for yen resumed.

## Somali defects to Kenya

By John Worrall

ANOTHER HIGH-RANKING Somali diplomat, Mr. Osman Abdir Egal, has defected to Kenya, he was First Secretary in the Somali Embassy in Uganda.

Mr. Egal, 37, said here today that President Siad Barre was conducting a "reign of terror which has made several educated Somalis flee for safety to foreign countries."

He said President Barre was a "supreme dictator" who had trampled on the basic rights of the Somali people. In April this year the former Somali ambassador to Kenya, Colonel Hussein Haji Dualeh, defected to Kenya after deserting his brigade in the Ogaden. A group of army offices also defected to Kenya earlier this year.

## Sheikh Yamani warns of sharp increase in oil prices in 1980s

BY VICTOR MACKIE

OTTAWA, June 28.

SAUDI ARABIA'S Oil Minister, Sheikh Ahmed Zaki Yamani, has warned that the present oil surplus is only temporary and that another sharp price increase is inevitable by the end of the 1980s.

Sheikh Yamani was in Ottawa today, conferring with Mr. Pierre Trudeau, the Prime Minister, and Mr. Alastair Gillespie, the Energy Minister, on the global oil situation.

Earlier this week, Sheikh Yamani addressed the annual meeting of the Canadian Society of Petroleum Geologists, in Calgary, and said that the Organisation of Petroleum Exporting Countries (OPEC) has decided to refrain from increasing oil prices for the time being in view of the surplus of world oil supplies.

But Sheikh Yamani warned that the surplus was only temporary, and another sharp price increase was inevitable by the end of the 1980s. The Sheikh said that new energy sources are unlikely to meet the bulk of demand in the next ten years. Consequently, when the current surplus diminishes, the world will once again have to depend on OPEC for world oil supplies.

"Unless oil prices are permitted to grow gradually in real terms throughout the rest of the century, another sharp price increase is inevitable by the end of the 1980s by reason of the supply shortfall that is likely to occur by that time."

The Minister told Canadian Government representatives as he had earlier told the Calgary meeting, that, because of the devalued dollar and inflation, the current price of $12.70 a barrel was worth only $7.70 at 1973 prices.

When compared to the price of $10.83 set in January, 1974, the current price shows a real deterioration of 29 per cent, he told the Prime Minister.

Sheikh Yamani said that, contrary to popular misconception, the flow of capital dollars to OPEC countries is not what it is assumed to be, and some OPEC countries "are even borrowing from the international financial market, thereby reducing their ability to grow at a satisfactory rate."

"The so-called transfer of resources from the industrialised countries to the oil-exporting countries, initiated in 1974, has reversed since 1975," he said.

## Large-scale purge in S. Yemen

BY IHSAN HIJAZI

BEIRUT, June 28.

A LARGE-SCALE purge has been undertaken inside the armed forces in Southern Yemen amid rumours that the country's strongman, Mr. Abdel Fattah Ismail, was wounded in Monday's fierce fighting in the capital Aden.

Arab diplomatic sources said the purge covered a number of high-ranking officers suspected of sympathising with former President Salem Robei Ali, who was executed along with two of his followers when their alleged attempted coup failed.

Reports about Mr. Ismail, the Marxist - Leninist Secretary General of the ruling National Front, were published today in the Saudi and Kuwait Press.

Newspapers in Riyadh said that he was rushed to Moscow for medical treatment, while Kuwait's daily Al Rai Al Aam claimed that he died on the plane. The rumours could not be confirmed here. It was reported that Mr. Ismail, Robei Ali were killed, Aden would probably have announced it.

Reports from Aden, published in the Press here today, said the house of then new head of state, the Prime Minister, Mr. Ali Nasser Mohammed, was shelled when the Central Committee of the National Front met there late Sunday night to discuss action against Mr. Rubai Ali. The former President intended to have them all killed.

Analysts here spoke of the deeper causes of the power struggle which had rocked the leadership in Aden for the past two months. They said that Mr. Rubai Ali was opposed to new plans laid down by Mr. Ismail to turn the National Front into a Marxist organisation to be called the "Vanguard Party." The plans are to be brought before a congress of the Front in Aden next October.

Mr. Rubai Ali wanted the Party to continue to derive ideology from Arab nationalism, while Mr. Ismail insisted on "scientific socialism," another phrase for Communism.

## Threat to Begin coalition

BY DAVID LENNON

TEL AVIV, June 28.

INTERNAL ELECTIONS being held today by the Democratic Movement for Change (DMC), the second largest party in Israel's ruling coalition, may result in a weakening of Mr. Menahem Begin's Government.

The party, headed by Professor Yigael Yadin, is divided over its continued membership of the Government. Many DMC members want it to withdraw from the coalition because they are unhappy with what they see as a lack of flexibility in the peace negotiations and the occupied territories.

The withdrawal of the DMC's 15 members would leave Mr. Begin with a narrow majority of 62 of the 120 Knesset seats and make him totally dependent on the votes of two religious parties.

Today's elections to the DMC's ruling council are seen as a test for the opponents of participation in the Coalition. About one third of the outgoing council wanted the party to leave the Government and they are hoping to increase their representation in the new council.

## Malawi voting in first general election since independence

BY QUENTIN PEEL IN LILONGWE

Dr. Banda: sober and puritan rule.

A GENERAL ELECTION is a decidedly unfamiliar experience for Malawi's voters. Polling today will mark the first such event in 17 years. It is only the second in Malawi's history and the first since independence in 1964.

Yet one could hardly say that election fever has gripped the country. There is excitement, but that is rather a foretaste of next week's celebration of Malawi's independence anniversary and of the return to the country of His Excellency the Life President, Ngwazi (the Conqueror) Dr. Hastings Kamuzu Banda.

Every main road has been lined with thousands of flag poles flying the national colours. Even the smallest road from the principal city, Blantyre to the new capital Lilongwe can boast half a dozen flags. The same red, black and green festoons all major buildings, schools, factories, shops and hotels. Huge portraits of the President, ubiquitous at ordinary times, have been set into triumphal arches at the entrance to each town.

Something of the festive air has probably rubbed off on the election, which might otherwise have been something of a non-event. For a start it is a one-party election, with only members of the ruling Malawi Congress Party allowed to stand. Moreover, there are contests in only 47 constituencies, and 53 candidates have been declared elected unopposed.

All electioneering is forbidden. Instead, the candidates, two and sometimes three per constituency, are formally introduced to their electors at meetings called by district officials of the party. The voters are urged to choose the men they consider "trustworthy, loyal, polite and hardworking" as their Members of Parliament.

It is all a serious affair. In keeping with the sober and puritan rule of President Banda. Anyone who attempts to win support by buying favours faces certain political extinction: "If anyone gives you money to vote for him, you should report to me; and that person will be finished," the President told a rally last week. Candidates have already been vetted by the President after their names were submitted by district committees of the party.

In previous years, President Banda has allowed only one name to go forward for each constituency and this person was automatically returned to Parliament. This time he has allowed two or three candidates and voting for them. The only real indicator to emerge from the election will be the percentage poll, which might be taken as some guide to the enthusiasm of the electorate.

The fact that President Banda has allowed an election to take place suggests that he is prepared, albeit with great caution, to pursue a little further the path of liberalisation. He began last year when he released virtually all the country's political detainees, thought to have numbered 3,000. This year he has allowed several foreign journalists, along with other foreign guests, to enter the country for the first time since 1973.

It seems unlikely that internal pressures have brought about these moves. In spite of his autocratic rule, most observers here believe that President Banda retains the support of most of the population. His regime has produced economic stability and growth all too rare in Africa.

International aid donors have almost fallen over each other to help, delighted by Malawi's careful money management and prompt debt paying. Development projects, too, have generally been on a scale likely to produce real benefits for the local population, and not merely window dressing prestige projects.

Although President Banda continues to remind his audiences of the dangers of rebellion and subversion, such as occurred immediately after his accession to power at independence, there is no sign of any organised underground resistance.

Diplomats in Lilongwe believe that international opinion has had some effect on the President's actions. Although no western country has actually withheld aid because of human rights considerations, concern has been expressed about the effective suppression of dissent.

President Banda's senior advisers, many of whom are expatriates, have undoubtedly been pushing for some relaxation in international relations and Press relations, if only to publicise better Malawi's economic successes. Moreover, although he has done nothing to loosen his trade and diplomatic ties with South Africa, the President now appears to have been attempting to improve his relations with black Africa.

But the effects of one-man rule remain much the same. All government decisions of moment must carry the presidential approval.

EDUCATION IN CHINA

## Eliminating illiteracy

BY JOHN HOFFMAN IN PEKING

THE ELIMINATION of illiteracy over the next eight years is one of the goals in the reconstruction of the Chinese education system. It may be the easiest to achieve. Some 95 per cent of China's 900m people are said to be literate, and universal compulsory schooling, already virtually a fact, is a matter of simple administration in China's closely supervised society.

It will be more difficult to improve the quality of education and resuscitate a system of education almost destroyed during the ten years of Cultural Revolution and the Gang of Four's capricious radicalism. In the fermented times, universities were closed, books banned, teachers vilified and students encouraged to turn their backs on learning. Intellect was held in contempt.

Learning English in a school outside Peking.

Half a generation of Chinese emerged from those years with an inadequate education—and many of them are today's schoolteachers. Retraining is given a high place in a reform programme recently announced in Peking. The Minister of Education, Liu Hsi-yao, said at a national education conference that a teachers' federation would be established to study major education problems.

The Minister also gave details of other specific measures designed to improve the quality of education. Teachers' colleges will be set up as quickly as possible to give advanced training to primary and middle school educators. Teachers will have full-time training, but the emphasis will be on training of teachers already at work with instruction given by experienced teachers and through radio, television and correspondence courses.

Teachers with high academic achievements will be given special assistance so they can devote themselves to producing new textbooks and developing new education theories. Teachers will be guaranteed five-sixths of their time for teaching and research, a proportion that, during the Cultural Revolution, was taken up with physical labour and ideological study.

Mr. Liu also proposed regular competency tests for teachers and a system of grading and promotion based on ability. "Teachers with outstanding performance can skip grades, irrespective of their academic credentials or seniority," he said. Mr. Liu's statement is an echo of a promise made two months ago by Teng Hsiao-ping, the Vice-Premier, that teachers would be given higher status and higher pay to encourage the effort to improve education.

China has strongly emphasised the rehabilitation of intellect. Educators have been told that their task is to produce a vast army of working class intellectuals equipped to carry out China's 20-year modernisation programme. Higher education is to get special attention, with the establishment of new colleges and universities and more experimentation in course structure.

China, with one-fifth of the world's population, has fewer than 1m students above secondary school level. Enrolments are expanding rapidly and education administrators have been ordered to recruit more students with special talents. Next month a standardised college entrance examination will be given throughout China—a further reform of the old discredited system of enrolment by recommendation, usually on the basis of political suitability. Examination results will be posted in public for the first time and candidates will have the right to inspect their marked papers.

At all levels of education, institutions which record high academic performances will be designated as "key schools" and given priority in the selection of staff and students and the provision of new textbooks and teaching materials. The Ministry of Education says that key schools are the backbone of the education system, producing gifted graduates and giving guidance to less expert institutions.

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# WORLD TRADE NEWS

## Henry Ford expects Japan to lose U.S. market share

BY CHARLES SMITH

TOKYO, June 28.

THE U.S. motor industry expects soon to be building cars that are "significantly more competitive" with Japanese cars, the chairman of Ford Motor Company, Mr. Henry Ford II was quoted as saying in Tokyo today.

In a Press conference open only to certain members of the Japanese Press, Mr. Ford said the prices of Japanese cars sold in the U.S. had "risen radically" in the past nine months as a result of yen revaluation. Meanwhile the U.S. industry was reducing the size of its cars. The result, said Mr. Ford, would be to lower Japan's share of the U.S. car market from its peak level of 20 per cent to something less than 16 per cent in future.

Despite his confident forecast Mr. Ford warned Japanese motor manufacturers against exporting too rapidly and against embarking on production increases that were not related to the growth of Japan's own domestic market. He also called for better access for car imports into Japan referring specifically to the commodity tax (which penalises large cars) and to Japanese type certification procedures, which Mr. Ford said should be simplified and shortened.

Mr. Ford said his company was not currently interested in acquiring a capital stake in Toyo Kogyo (the number three Japanese car manufacturer with which Ford has ties) because Toyo Kogyo's stock was "overpriced" on the Tokyo Stock Market. Ford would remain uninterested in a capital tie-up with Toyo Kogyo for at least the next year, Mr. Ford said.

However production and sales links between the two companies would continue to grow following an agreement on the manufacture of "manual transaxles" by Toyo Kogyo for a projected new Ford small sized passenger car. Before the transaxle agreement was signed (during Mr. Ford's visit) Toyo Kogyo had been manufacturing "Courier" pick-up trucks which are distributed by Ford in North American markets.

Mr. Ford is visiting Taiwan before returning to the U.S. and spent three days in China last week. He said his visit to Peking has not produced any business but had provided indications of possible future business.

The Ford press conference was held under the auspices of the Keidanren press club, an organisation of industrial correspondents of major Japanese newspapers. A spokesman for Ford Motor Company's Tokyo office told the Financial Times that, for this reason, foreign correspondents could not be invited to attend the press conference.

## Ship purchase plan to reduce surplus

BY ROBERT WOOD

TOKYO, June 28.

JAPANESE SHIPPING companies will receive special low-interest loans to buy their chartered ships from their foreign affiliates, officials said here.

The plan is aimed at reducing Japan's current account surplus this year, perhaps by as much as $1bn. The ships will appear in Japan's trade statistics as import, although actually many will continue to be operated on the same routes they had been.

The foreign registration of the vessels was itself a means of avoiding the use of expensive Japanese crewmen. Foreign subsidiaries of Japanese shipping companies, or related foreign shipping companies like Y. K. Pao's world-wide shipping of Hong Kong, ordered the vessels, then they were chartered back to the Japanese shippers under foreign flags.

When the Japanese shippers purchase the ships, they will cease paying the chartering fee to the subsidiary or affiliate abroad and replace much of the crew with Japanese.

Thus the arrangement will not reduce Japan's balance of payments surplus in the long run, and may in fact increase it.

But the purpose of the plan is to reduce the surplus this year, helping the Japanese deal with their current surplus crisis while longer term measures are taking effect.

A shipping company official said the plan has no significant advantages for the companies except for the advantageuos conditions of the proposed loans.

The Export-Import Bank of Japan will lend money at 6 per cent interest. The long-term prime rate in Japan has been 7.1 per cent recently.

Some of the repurchased ships might be scrapped after repurchase, as many Japanese flag-of-convenience vessels are suffering losses and eliminating them would reduce the world shipping glut.

But Export-Import Bank officials were reported reluctant to lend money for ships that will be scrapped. They were also reluctant to finance ships that they had already financed once already. Most flag-of-convenience vessels chartered to Japanese owners were financed by the Export-Import Bank when they were "exported" to their normal foreign owners.

There is no official estimate of how many ships will be purchased under the plan. Japanese shipping companies now charter about 200 ships built to their own specifications and owned abroad.

The arrangement is called "Shikumisen." Press reports say the Government hopes companies will buy as many as 50 of these ships at an expected cost of $20m each.

## Quebec to aid paper industry

By Robert Gibbens

MONTREAL, June 28.

THE QUEBEC Government has come up with its promised support package for the province's pulp and paper industry.

Though the industry's fortunes have improved greatly over the past 18 months, with the help of a depreciated Canadian dollar, the Government's programme is aimed at reducing production costs.

The Government estimates that newsprint production costs in Quebec are $52 a ton more than in the southern U.S. on average, though it does not say whether the fall of around 11 per cent in the value of the Canadian dollar has been taken into account.

Quebec mills ship most of their production to the U.S. market and receive U.S. dollars. The Government also estimates that the industry provides exports of about C$1.8bn a year and its activity represents about 10 per cent of gross provincial product.

It estimates about C$1.1bn is needed to modernise existing mills, achieve environmental standards and save energy. There are about 60 mills in Quebec, half of which require urgent capital spending, and this would qualify for between $100m and $175m in Government grants and incentives.

Speed-up of existing machines could add 800,000 tons a year to existing newsprint capacity. The Government proposes to expand the grant and incentive systems and operate an "investment fund" built up from industry taxes and used for investment in "approved projects."

Woodlands operations benefit as well as mills. The Government argues this will trim the difference in costs with the U.S. by C$23 a ton. It will back thermo-pulping as a way of using more locally-produced electricity and less imported oil.

## Cool response to Tokyo import centre

BY ROBERT WOOD

TOKYO, June 28.

ONE OF Japan's first major import promotion ventures is having difficulty even giving its services away.

The Japanese have allocated 2,500 square metres of free space for developed countries to promote their wares in Tokyo's world import market, scheduled to open in October.

But so far only the United States has accepted the offer. The import market is located in Ikebukuro, a neighbourhood about 20 minutes from the centre of Tokyo by subway, known until recently only as the junction of a half-dozen train lines.

The Japanese are trying to develop it into a major sub-centre, but European businessmen and diplomats doubt buyers would travel there to see their goods.

The world import market is an 11-storey department-store-like structure owned by a private development consortium. It will include shops, restaurants, a travel centre, an aquarium, and a planetarium. Most of the space will be rented on a private basis, but several floors will be rented to semi-Governmental business promotion organisations.

One of these is the floor for export promotion by developed countries. The floor below is devoted to developing countries, who are generally eager to participate because the Japanese Government will pay all their expenses. But developed country exporters must themselves pay all operating costs, and many doubt it is worth it.
many doubt it is worth it.

Diplomats from the UK, France and West Germany said they had passed the Japanese invitation to their respective Chambers of Commerce.

Mr. Bernhard Grossman, executive director of the German Chamber of Commerce and Industry in Japan, said German businessmen who conduct trade fairs in Tokyo fear the centre will attract only consumers.

"They don't want to see families with their babies and never see anyone to whom they can talk," said Mr. Grossman. The attraction of the centre for promotion of consumer goods is limited by restrictions on direct sales to customers there.

Mr. Tairu Nozaki, manager of the semi-governmental organisation through which Japan is trying to give away the space, said the Japanese have issued invitations to 16 developed countries besides the United States.

Mr. Nozaki was hopeful that Sweden, Austria, Australia, Ireland, or Canada might answer favourably within the next few weeks.

The Japanese had originally planned to give the space only for long-term exhibitions, and to require that countries rotate in the space every six months, but they have eased their terms considerably.

## IATA meeting may bring changes for world's airlines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MAJOR changes in the way in which the world's big scheduled airlines conduct their affairs—and particularly their attitude to fixing passenger fares and cargo rates—are likely to result from a meeting in Montreal which begins tomorrow and lasts through the week-end.

Called by the International Air Transport Association, which includes more than 100 of the world's biggest airlines among its members, the meeting is expected to sweep away many of the past restrictive practices under which the association has operated.

It is expected to introduce a new two-tier category of membership, and to abolish the old unanimity rule in voting, which should make it easier for the airlines to reach agreement in future on new, innovative fares policies.

The meeting is critical in that a number of major airlines, including British Airways and Pan American, have already indicated that they would be prepared even to quit the association if the changes, which they approve, are not adopted by the rest of the member-airlines.

The U.S. Government, in fact, is understood to be ready to order its flag airlines to quit IATA if the meeting does not approve the radical changes proposed.

The changes have been proposed by a small team of "five wise men," set up by the association last November, which included Mr. Ross Stainton, chief executive of British Airways. They have been approved already by the association's top-level policy-making Executive Committee.

Mr. Stainton said recently that while IATA had done much to help develop the world airline industry in the past, "many of us believe it has reached the stage where it has either to become a new and different kind of animal, or go the road of the dinsoaur.

"A forward-looking, flexibly organised IATA that can function effectively in a fiercely and increasingly competitive environment, could have a great deal to offer, not only to the industry but to its customers, without whom we shall none of us be in a job anyway.

"But if the proposals are turned down by the industry as a whole, then I think IATA as we understand it today is in trouble, and I personally would have great difficulty in recommending to my colleagues on the board that we should remain members on the present terms."

Pointing out that BA's "biggest single battle" over the next few years is to get costs down to enable cheap fares to be offered, Mr. Stainton said that the airline "can't afford to be hobbled by other people who can't or won't keep up with us."

## African nations discuss plans for common market

BY JOHN WORRALL

NAIROBI, June 28.

THE PLAN to establish a huge preferential trade area for eastern and southern Africa got a stage further today with a meeting in Addis Ababa of trade ministers of 12 of the nations involved. Countries represented at the meeting are Ethiopia, Kenya, Lesotho, Botswana, Madagascar, Mauritius, Mozambique, Swaziland, Tanzania, Uganda, Zambia and Malawi.

The ministers are to work out details of the plan, which is seen as a form of common market without duty or reduced duties on goods originating from member countries. The meeting is a follow up of the ministerial meeting, held earlier this year in Zambia, which signed an agreement of intent and commitment to establish a preferential trade area.

The plan is being sponsored by the Economic Commission for Africa, in Addis Ababa, which has sent missions to all the countries involved to discuss guidelines for negotiating what many people optimistically see as a new "community of African states."

The last attempt to create a regional African common market, the East African Community, comprising Kenya, Tanzania and Uganda was abandoned last year with considerable ill will after 10 years of mostly successful operation.

## Soviet trade with LDCs rises to record level

NEW YORK, June 28.

SOVIET trade with the world's less-developed nations reached a record $12.2bn last year, giving the Soviet Union both a hard-currency trade surplus and increased access to valuable raw materials, such as oil, iron ore and phosphates.

This trade represents the fastest-growing sector of Soviet commerce. It represents about 14 per cent of the Soviet total, compared with 29 per cent with Western nations and 57 per cent with other Communist countries, mostly those of Eastern Europe.

According to a new study by the Central Intelligence Agency, business with the less-developed lands last year gave Moscow a $1.2bn hard-currency surplus, due mostly to sale of weapons—particularly in the Middle East—for cash. This was up from an $800m hard-currency surplus in 1976.

Overall, the Soviet trade surplus is even larger. The CIA study says 1977 Soviet exports totalled $7.9bn, while imports were only $4.3bn. Much of this exchange was through barter arrangements, but the agency says Moscow is clearly moving towards less complex hard-currency deals that give the Soviet Union cash to spend in the West for finished products.

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## Boycott Office change

BY ANTHONY McDERMOTT

MR. MOHAMMED MAHGOUB, the Commissioner-General of the Arab Boycott of Israel Office since it was set up with its headquarters in Damascus in 1948 has been succeeded by his deputy, Mr. Sayid Barki.

The new appointment, announced recently, is not expected to indicate any change in policy towards the use of this economic weapon in the Arabs' conflict with Israel.

Mr. Mahgoub had had his appointment extended twice by two years after reaching retirement age. Mr. Barki was appointed his deputy some five years ago. Previously he had been director of the finance department of the Arab League.

It is of note, however, that both Mr. Mahgoub and Mr. Barki are Egyptians, and that Egypt is currently at odds with the Boycott central office over negotiations with two blacklisted companies, Ford and Coca Cola.

## Contracts for Sweden

BY JOHN WALKER

STOCKHOLM, June 28.

THREE DEVELOPING nations, Iraq, Tunis and Liberia have placed orders with Swedish industry valued at a total of Kr 480m (about £60m). Iraq has placed an order with Granges Aluminium for aluminium sheet valued at Kr 50m. The material will be used in the construction of 400 large chicken houses which will call for investment as for the whole project amounting to Kr 500m.

Skanska Cementguteriet, Europe's largest public works contractor, is to supply control equipment for a large irrigation scheme. The value of the Skanska contract is said to be Kr 380m and work will commence in July, for completion by the end of August, 1982.

Gotaverkan Motor has received an order valued at Kr 50m from Liberia. The order is for the supply of two large diesel engines for driving two generators which will be connected to the national grid.

## Finnish ship orders transferred

BY LANCE KEYWORTH

HELSINKI, June 28.

THE LEADING shipbuilding company in Finland, Oy Wartsila, has now transferred the contracts for two 75,000 cubic metre liquid petroleum gas (LPG) vessels to the Norwegian company Sig Bergesen K.Y. They are due for delivery towards the end of 1978 and the middle of 1979.

Originally, these ships were ordered by Fearnley and Eager of Norway in 1974 which subsequently got into financial difficulties. Of the five LPG tankers in the original order, one will be delivered to a Japanese company and two have not been started yet.

Finnish shipbuilding yards have been hit later than others by the world shipbuilding crisis because of their specialisation and the big and repeated orders they received from the Soviet Union. However, few new orders can be expected from that quarter until the new five-year trade agreement begins in 1981.

Hence, the yards have been looking at the home market. A striking example is the SF Line in the Aland Islands (an autonomous province of Finland).

SF, better known as the Viking Line, invited tenders for a new passenger-car ferry. Japan underbid the Finnish shipbuilders, which caused an outcry from the unions and other interested groups, because of increasing unemployment in Finland.

Finally the Government stepped in with the offer of a subsidy of FM 17m (about £2m at the current exchange rate), and Wartsila got the orders.

This is the first time that the State has paid a direct subsidy to the shipbuilding branch which claims to be the only shipbuilding industry in the world without direct State support.

# Tug captain denies Amoco Cadiz threats

BY LYNTON McLAIN

THE ARGUMENT over threats to abandon the Amoco Cadiz off the rocks in Brittany in March revived yesterday when a German tug captain attacked the captain of the supertanker.

Captain Hartmut Weinert, of the rescue tug Pacific, said that accusations by Captain Pasquale Bardari were incorrect, unfounded and not borne out by a minute-by-minute engine-room and bridge records kept by the tug.

The Cadiz captain, he said, had made sweeping allegations against the tug master and the motives of his company, Bugsier of Hamburg, at an earlier hearing of the Liberian court of inquiry sitting in London.

Captain Bardari's allegations had been supported earlier by Mr. L. Maynard, a safety adviser from P and O Marine Services Division.

He said that the tug captain had threatened to drop two tow lines unless a Lloyds open form salvage contract was accepted by Captain Bardari.

This was denied strenuously yesterday when the tug captain said that in passing a rescue line to the Cadiz before agreement had been reached on the salvage contract he had gone further than his company rules permitted. The line later broke in heavy seas.

Earlier the Cadiz captain and other witnesses from the ship had said they were under the impression that after the first turn of the tanker bow the tug had stopped pulling.

Captain Weinert denied this, saying he applied 80 per cent of the tug engine power. He said he had warned the Italian captain in English 3½ hours after sighting the ship that it was in danger.

He said his message was: "Captain, you are in a very bad position. You have a very big ship, the weather condition is bad. We must have a Lloyds salvage contract."

According to the tug captain, Captain Bardari repeatedly replied: "No."

This prompted Captain Weinert to send a 22-word telegram to the local Brest radio. A reply called for the Cadiz captain to accept a Lloyds no-cure, no-pay contract. The Lloyds salvage was finally accepted by Captain Bardari four hours after the tug first sighted the crippled vessel.

A second attempt was made to get a line to the storn of the Cadiz. The tug captain said there was "difficulty in getting the line aboard the tanker. It was clear that the Amoco Cadiz could not find the line."

Ten minutes later, the 263,000-tonne Amoco Cadiz crashed on the rocks.

Captain Weinert said throughout the hearing yesterday that the Cadiz captain had refused to give him the position of the crippled rudder, which eventually caused the ship to founder.

# Ship steering gear changes proposed

BY CHRISTOPHER DUNN

BRITISH SHIPBUILDERS is reviewing the steering systems used in its ships, Mr. George Snaith, research director of the State-owned corporation said yesterday.

He was speaking to an all-party committee of MPs looking into ways of preventing tanker collisions around Britain.

The review had been prompted by the recent Amoco Cadiz disaster off the French coast.

The corporation later said that the work would be done in conjunction with leading UK steering gear manufacturers, including K and L, a British Shipbuilders' subsidiary based in Sunderland.

Manufacturers welcomed the move since most of them had already started an internal review of their own manufacturing methods.

Two leading steering gear manufacturers, Brown Brothers and John Hastie, part of Vickers, said in a statement last night that they were about to submit proposals for safer steering systems to the Department of Trade, and probably the International Marine Council, after talks with Whitehall.

"The proposal is to consider modifications which would be required to improve the safety of steering systems under certain failure conditions, similar to the Amoco Cadiz situation," the two companies said.

# Fire damage costs rise this year

By John Moore

ESTIMATED FIRE damage costs in May show that the sharp upward trend in the April figures of 47 per cent has slowed considerabley, the British Insurance Association reported yesterday. The May estimate of £22.4m was only a 13.7 per cent increase on the previous month.

Even so, fire damage figures for the first five months of this year at £120.8m are still 28 per cent ahead of those for the corresponding period last year. This year's fire damage costs have been influenced by the firemen's strike which lasted until January 16.

The latest figures have been adversely influenced too by two large fires, one at a supermarket and office block in North-West England costing £2.1m, and another at a hardboard manufacturers in the South-East costing £1m. There were 12 other fires where in each case estimated damage was more than £250,000.

There were 27 large fires estimated to have cost over £35,000 in public places such as cinemas, schools, shops, social clubs and theatres.

# Groceries go metric

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE long-delayed plan to replace imperial measures with the metric sysetm took another small step forward yesterday when the Government published proposals for phasing out imperial packs in two sectors of the grocery trade.

Both orders deal with products which can only be sold in quantities prescribed by the Government. The first will allow manufacturers to sell instant coffee in metric sizes, as well as imperial ones, from July 1, 1979. At present only imperial sizes are prescribed.

The second lays down cut-off dates for the use of imperial sizes on certain pre-packed grocery products which at the moment can be sold in either metric or imperial packs. Under the draft order published yesterday, pasta, flour and flour products would have to be sold in metric sizes from the end of August, and dried fruits and vegetables would have to go metric by the end of December.

# Fellowship for Margaret Reid

MARGARET REID of the Financial Times has been elected to a one-year journalist research fellowship at Nuffield College, Oxford. Mis Reid joined the FT in October, 1973, having been previnusly deputy City editor of the Birmingham Post.

# Impressionists fetch £2.7m in Sotheby's auction

SALEROOM

BY ANTONY THORNCROFT

WHEN THE final session of the von Hirsch series of auctions ended at Sotheby's on Tuesday night with a grand total of almost £18.5m, the audience, packed into the numerous small salerooms, clapped wildly. Yesterday, things were back to normal.

Sotheby's held an important auction of Impressionist and modern paintings but prices were in line with forecasts. It seems that a work of art which had belonged to von Hirsch commanded a premium.

The £250,000 Courbet.

Even so, the morning session did well, totalling £2,737,300 with 22 per cent bought in, not a bad unsold figure for this sector, although significantly higher than in the von Hirsch Impressionist sales.

Top price was the £250,000, plus the 10 per cent buyer's premium, paid for a Courbet portrait of 1856. It was *Demoiselle des Bords de la Seine*, and an auction record for the artist, beating the £112,676 paid in New York last October.

Japanese buyers largely outbid at the von Hirsch sale, were more successful on Wednesday. Okada acquired a Monet, *Le Bassin d'Argenteuil au Coucher du Soleil*, for £145,000, while Umeda gave £130,000 for another Monet, *Nympheas*. The London dealer Y. Tan Bunzl secured a Toulouse-Lautrec, *Lucien Guitry et Jeanne Granier*, for £120,000.

Other top prices were the £100,000 from a private German collector for Renoir's *La Plage à Pornic*, and £95,000 from a French private buyer for yet another Monet, *Bordighera, la Maison du Jardinier*. Hahn, the New York dealer, bought *Le Moulin Rouge* by Utrillo for £86,000.

The main disappointments were a Picasso (a doubtful market these days) *Tete de Fernande*, a gouache of 1906 which was bought in at a high £165,000, and a Braque *Nature morte à la Guitare*, unsold at £52,000.

The sale suggested that the demand for Impressionist pictures is improving, but that von Hirsch prices were not true indicators.

On Monday night, a record price of £300,000 was paid for a Cézanne watercolour, *Nature morte au Melon Verte*, while a Van Gogh watercolour *Mas à Saintes-Maries* also set a record of £205,000.

Prices consistently beat their forecasts, mainly because the von Hirsch Impressionists were "fresh" to the market, but also because he had an eye for particularly pretty and intimate pictures.

In the afternoon session devoted to Impressionist and Modern drawings and watercolours, which totalled £619,860, a watercolour by Picasso, *Le Marchand de Gui*, sold for £63,000. Another Picasso, *Tête d'Homme*, went for £48,000 to Waddington and Tooth.

*Danseuses*, by Dégas, realised £29,000 and a private South African collector paid £26,000 for *Villa in Tal* by Paul Klee.

At Sotheby's auction of photographs, set of 67 of the Crimean War by Roger Fenton, sold for £11,000 and another set of 67 for £4,000. Twenty views of the Middle East, taken by Francis Frith in 1858, sold for £6,500.

Christie's South Kensington on Tuesday night secured an auction record for a paper photograph when a *Nubian Model Reclining*, by Fenton, sold for £5,400.

Prints by Hans Sebald Beham, collected by the cataloguer and collector Gordon Nowell-Usticke, realised £62,675 at Christie's yesterday.

Both Beham and his younger brother Barthel became known as "Little Masters," because of the small dimensions of most of their output. The chief mentor was Dürer.

Many of the 148 lots were little bigger than postage stamps. *Boerner*, the German dealer, paid £3,200 for a print of two street players and a girl. A set of 12 engravings of the *Labours of Hercules* went to an anonymous purchaser at £2,800, while Varnholt, another German dealer, paid £2,600 for a set of 10 engravings of *The Peasants' Feast*, or *The Twelve Months*.

# 'Funds needed to keep art works'

THE COUNTRY'S art galleries and museums need more funds if the drain of works of art out of the UK is to be halted, says the Reviewing Committee on the Export of Works of Art in its annual report, published yesterday.

The committee has the power to withhold export licences for valuable works of art if it considers it is in the national interest that they stay in the country.

The report says that there is agreement that the job the committee is doing is "reasonably effective" in protecting the highly selective group of works of real importance to the national heritage. "Nevertheless, not only have there been losses of irreplaceable works of the highest quality, but the underlying trend is worrying, and there is no room for complacency." The committee has recently withheld licences on two Canaletto paintings of Warwick Castle to give Birmingham Museum and Art Gallery the chance of buying them for £550,000.

# Move likely today on State industry chiefs' salaries

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CABINET is expected today to consider whether to phase over two or perhaps three years pay rises of more than 70 per cent recommended for chairmen and Board members of nationalised industries.

Minister first considered the rises proposed by the Boyle Review Body on Top Salaries, last Thursday. As a result it seems clear that there is little or no chance of more than the present 10 per cent pay increase limit being paid immediately.

The Government is torn between worries about the impact that large rises would have on their plans for a further phase of pay policy and an awareness that the nationalised industry people concerned have not had a major salary review for several years.

Some Ministers, including Mr. Michael Foot, Leader of the Commons, are thought to believe that working in the State sector should be regarded as vocational public service for which high salaries are not needed. Union leaders have also opposed large rises.

The Boyle Report proposes that payment to chairmen of major nationalised industries such as gas, electricity, coal, railways and airways should go up from their present salaries of just over £23,000 a year to £40,000, an increase of more than 70 per cent.

Larger rises of up to 80-90 per cent are proposed for the chairmen of the National Enterprise Board and the British National Oil Corporation, whose new rate, it says, should be £60,000-£65,000.

Smaller rises are proposed for other top public servants such as senior armed forces officers, judges, and civil servants, who had a major increase in 1974 when those in the nationalised industries received nothing.

The report was sent to the Prime Minister three weeks ago, and is likely to be published after the Cabinet has decided what to do with its proposals.

The most popular idea being canvassed is that those involved be given a total of 10 per cent to cover the present round of pay policy, and that the rest be phased over two or three years.

For those in the nationalised industries this would involve an immediate, relatively small, topping-up rise, since they received between 5 and 10 per cent at Christmas.

# Broking firm against demand-led economic growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ACHIEVEMENT of sustainable economic growth depends on control of the money supply and on the introduction of a wide-ranging package of measures to improve supply of the economic system, says W. Greenwell and Co., stockbrokers.

The brokers put forward an alternative strategy for the UK economy. They say that Keynes was right to argue for policies to prevent a deficiency in demand, but neo-Keynesians have been wrong to argue in recent years for demand-led economic growth on the grounds that it cannot be sustainable.

The firm say control of the mney supply is the harsh and negative part of the correct solution although it stresses that inadequate or excessive monetary growth should be prevented.

The brokers propose in a special monetary bulletin a series of macro-economic measures intended to influence the supply side in order to improve the efficiency of allocation of resources, in particular industrial efficiency, and to reduce the natural level of unemployment.

They suggest that this positive side of the solution should involve removal of artificial restraints on trade, including the dismantling of international barriers such as tariff controls.

The bulletin argues that an "all-out war" should be declared on high taxes, monopolies, restrictive practices and bureaucratic constraints which are the domestic counterpart of import controls and tariffs.

It also suggests that taxes should be reduced and maintains that this need not conflict with the objective of controlling the money supply.

This is because a reduction in very high tax rates may boost revenue and this move should, anyway, be accompanied by substantial cuts in public spending.

# Top economists give gloomy forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MOST pessimistic analysis so far of the medium-term prospects for the UK economy is published this morning by a group of leading Cambridge economists.

This view has been presented at a two-day conference by economists from the Cambridge Growth Project at the university's Department of Applied Economics.

They are working under the direction of Professor Sir Richard Stone and Dr. Terence Barker, and the team is separate from the economists working with Mr. Wynne Godley.

The group warns that even substantial reflationary action such as a cut in the standard rate of income tax to 20 per cent (from the present 34 per cent) or the abolition of Value Added Tax would leave unemployment at 2.7m by 1985 and would not prevent the virtual collapse of the vehicle and electrical engineering industries.

However, "the performance of industries such as vehicles would remain poor, strengthening the argument for specific industrial policies.

"The cost of devaluation would be that real consumption growth would have to be held back to 2 per cent a year, frustrating the expectations raised by the development of North Sea oil."

The projections are based on a new economic model which builds up a picture of the economy from the accounts of 40 individual industries. This sectoral approach differs from the more familiar short-term forecasts which concentrate on the overall prospects.

If present policies are retained with no increase in public spending or real value of taxes and benefits, then, with the help of North Sea oil, Britain would develop trade surpluses rising from £2bn a year in the late 1970s to nearly £7bn a year by 1985.

But there would also be a loss of more than 1m jobs in primary and manufacturing industries, only partially offset by 500,000 new jobs elsewhere so that unemployment would be over 3m.

The Growth Project also considers the impact of massive reflation and says this can only solve part of Britain's economic problems.

It claims that even the most effective package would leave a 9.7 per cent annual decline in the motor vehicle industry between now and 1985, with a 2.3 per cent annual decline in electrical engineering and a 3.3 per cent yearly drop in the iron and steel sector. Chemicals would grow by 2.7 per cent a year.

Another conference on Britain's industrial problems has also been under way and ended last night in London. Organised by the National Institute of Economic and Social Research, the conference discussed 10 papers on the causes and possible solutions for the UK's industrial decline.

An introductory paper by two of the institute's economists suggested that there was no evidence to support the view that the UK manufacturing sector had priced itself out of world markets, but it noted the evidence showing structural weaknesses in UK manufacturing.

# World energy demand increases by 3.5 per cent

BY RAY DAFTER, ENERGY CORRESPONDENT

WORLD ENERGY demand increased by 3.5 per cent last year, with only the nuclear power industry increasing its share of energy production, British Petroleum reports.

Nuclear production rose from the equivalent of 102.2m tonnes of oil in 1976 to 126.5m tonnes last year. Even then, nuclear power output accounted for less than 2 per cent of world energy supplies, measured at almost 6.7bn tonnes.

BP's latest Statistical Review* shows that world oil consumption last year increased by just over 3 per cent to almost 3bn tonnes, although most of this increase was in the Soviet Union, Eastern Europe, China and the U.S. (the world's largest oil consumer). In the rest of the world, the increase was less than 1 per cent up on 1976 levels.

Western European oil consumption declined by 1.9 per cent, not only as a result of the continuing low economic growth but also because of the 23 per cent increase in hydro-electricity generation, which had been depressed in 1976 because of drought conditions.

* *BP Statistical Review of the World Oil Industry 1977; British Petroleum, Britannic House, Moor Lane, London EC2Y 9BU.*

# Trustee Bank bid to woo students

BY MICHAEL BLANDEN

IN AN aggressive move to attract new customers among the student population, the Trustee Savings Banks are offering a package of cheap banking terms.

The move announced today is part of the development of the Trustee Savings Banks towards becoming full commercial banks. It takes them into an area in which the big clearing banks have long offered competitive terms as a marketing effort to attract customers when they are young.

The banks said that the new terms were designed "to challenge the dominance of the student banking sector by the other main High Street banks." The new Trustee student account includes four main aspects.

First, it offers free banking provided the account is kept in credit, in contrast with the £50 minimum balance which other personal customers are required to maintain in order to qualify for free banking.

Second, a temporary overdraft facility is available in certain circumstances for those aged over 18 and the free banking concession — apart from overdraft interest — will still apply where the overdraft does not exceed £50.

## Cheque card

Third, students will be offered a £50 cheque guarantee card, subject to the branch manager's discretion, or alternatively a facility to withdraw cash at another bank branch of the student's choice.

Finally, the Trustee Banks are offering a guarantee of a further year's free banking after leaving university or college, provided the account has been operated satisfactorily.

The Trustee Bank's are expected shortly to extend their marketing to the younger potential customer by introducing a further package for school leavers.

## OBITUARY

# Harold Bell

MR. HAROLD A. BELL, chairman of the Gateway Building Society, has died at his home in Chiddingfold, Surrey.

Mr. Bell had been chairman of Gateway since July 1974, when the society was formed as the result of a merger between the Temperance Permanent Building Society and the Bedfordshire Building Society.

He was appointed vice-chairman of the Temperance Permanent Building Society in 1962 and became chairman on January 1, 1974.

He was a vice-president of the Metropolitan Association of Building Societies, and a solicitor with a practice in Ewell, Surrey and Honiton, Devon.

# University doubt on expanding higher education

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT'S plan to commit £240m a year to further expansion of higher education over the next decade is challenged today in a report by the Conference of University Administrators.

The report on a two-year study gives statistics disputing the Government's forecast that student demand will rise to about 600,000 places—compared with 560,000 planned in universities and polytechnics for 1981—before falling sharply from 1994 through reduced birth rates.

In February the Department of Education and Science put forward five possible strategies for coping with the "hump" in demand.

But last month Mr. Gordon Oakes, Minister of State for Education, indicated that the Department favoured one particular strategy.

This was to raise the estimated 1981 expenditure of about £1.5bn on universities and polytechnics by about £240m annually and provide permanent capacity for 600,000 full-time and sandwich-course students.

When the entry of 18-year-olds —about 70 per cent of whom come from middle-class backgrounds—began to fall from 1994 the excess capacity would be filled by encouraging more older and, where possible, working-class students.

The Conference of University Administrators points out, however, that the forecast demand of 600,000 depends on the proportion of the nation's 18-year-olds entering higher education increasing from 13½ per cent at present to 18 per cent.

The Department admitted that, unless this "participation rate" increased beyond 15 per cent, the 560,000 places already planned would probably accommodate the "hump."

But the administrators' study suggests that even the 15 per cent rate is "probably an optimistic figure."

The report adds that most other industrialised countries are sharing the planning problem of a "hump" in the number of teenagers coupled with static rates of demand for higher education.

## Options

Only in Germany is the demand rate still rising. But it seems Germany plans to cope with it not by providing extra permanent student places, but by furnishing temporary facilities for the peak numbers. This was one of the options originally stated by the department but evidently now discarded by Ministers.

Calling for further "sustained" public discussion on whether extra expansion is needed in Britain, the university administrators warn that there are "no short-cuts" to boosting the historically low entry of working-class people into higher education.

"The only solution is to improve substantially the education service as a whole, starting with free nursery education," the report states.

*Final Report on Forecasting and University Expansion. Conference of University Administrators; The Registry, University of East Anglia, Norwich; £1.50.*

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# Graduate parents 'defy principles in schooling'

BY OUR EDUCATION CORRESPONDENT

PRIVATE PREPARATORY schooling is chosen by many parents in the "emergent middle classes" (characterised by fathers with university degrees and mothers who go out to work) in defiance of their principles, according to a survey report published by the magazine New Society today.

A study by two sociologists at the Central London Polytechnic found that at least two-fifths of "emergent" parents with children at prep schools would prefer to have sent them to state primary schools if those placed stronger emphasis on formal teaching and academic achievement.

By contrast, only 2 per cent of the survey's sample of parents in more traditional upper-class occupations, such as "the City," agriculture, and the Army, had ever considered sending their sons to state schools.

# Lancia raises Beta prices 5%

LANCIA is to increase the prices of its Beta range by 5 per cent from July 4, except for the Monte Carlo. Prices of the recently-launched Gamma range are unchanged.

# Finance Bill concessions head off confrontation

BY DAVID FREUD

THE GOVERNMENT has made a string of concessions on the Finance Bill at the Committee Stage, which ended in the early hours of yesterday morning.

The changes come on top of the major Tory amendments on tax levels passed in the committee of the whole House in early May and after the proposed rise in the National Insurance surcharge

When the Finance Bill come before the House for final approval, probably next month, it will be quite different from its original appearance.

However, there were no outright defeats for the Government on the Committee Stage, unlike previous years when Labour defections had an impact. This year the Government was swift to head off potential confrontation by making concessions.

The most recent of these were an extension of the time-limit for a reduced rate of development land tax and a Capital Gains Tax concession for those living in tied cottages who are also home owners. The Government also announced that disabled drivers eligible for the mobility allowance will not have to pay the £50 road tax.

Also in the most recent session, the committee approved the Government's new clause to double the threshold before tax is payable on redundancy payments to £10,000.

Mr. Joel Barnett, Chief Secretary to the Treasury, emphasised that this meant that, because of the way the redundancy tax provisions worked, a married man who earned no other income would not have to pay tax until the payment exceeded £19,000.

The Government introduced the amendment so that workers made redundant from groups such as British Steel, British Leyland and Swan Hunter, would not be taxed on their large redundancy payments.

The reason tax does not take effect until a much higher level is because the "top-slicing" provisions assess the whole additional payment above the threshold at the tax rate into which the first sixth falls. If a worker is not earning anything further in the same tax year his tax-free allowance could cover up to £9,000 on this basis.

There have been several concessions over Capital Gains Tax. Mr. Barnett said he would take steps to give trusts the same exemption on tax gains up to £1,000 a year already awarded to individuals in the Finance Bill.

The Government also held out the prospect of relief from CGT for irrecoverable losses on loans to traders made after April 11, 1978 and guaranteed payments in respect of such loans.

Other changes will affect closed companies. Mr. Barnett said a less restrictive definition of a family company will be written into the Bill at the Report Stage.

The change will reduce the voting rights in a company an individual has to control before it can be defined as a family company from 10 to 5 per cent., and the voting rights of his family from 75 to 51 per cent.

The Government also agreed to a Conservative amendment bringing the self-employed into line with employed people when they spend time working abroad.

The Finance Bill proposed that those self-employed who spent a qualifying period of at least 60 days abroad could, for tax purposes, deduct 25 per cent of their profits for the days spent abroad. The amendment brings the qualifying period down to 30 days, the same period granted to employees in the 1977 Finance Act.

HOME NEWS

# Caledonian suggests link with Concorde

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways, the "second force" independent flag airline, offered yesterday to join British Airways in providing Concorde services between London and Dallas/Fort Worth in Texas this year.

Both airlines are competing for the rights to fly the route. British Caledonian already operates from Gatwick to Houston, and is claiming the Dallas/Fort Worth route because it would complement the existing Texas service.

British Airways has said it would be prepared to fly it initially with a Concorde subsonically between Washington and Dallas/Fort Worth, thereby extending the existing supersonic Concorde service between London (Heathrow) and Washington. Eventually, it would offer a daily TriStar service non-stop from London to Dallas/Fort Worth.

British Caledonian told a public hearing before the Civil Aviation Authority in London yesterday that its plan for a joint Concorde operation could provide a way out of a possible dilemma for the authority, if the question of Concorde flights became crucial to the licence decision.

Mr. Adam Thomson, British Caledonian chairman, said: "We are discussing the joint operation of Concorde in other areas of the world and we feel that an all-British service between Texas and the UK could take preference over any other proposal."

British Airways, however, already has a leasing deal with Braniff International of the U.S., which also intends to fly Concorde subsonically between Washington and Dallas/Fort Worth, with approval in principle already given by the U.S. Civil Aeronautics Board.

It is understood that this agreement precludes participation by a third party, so that it seems unlikely that the British Caledonian plan can become effective, at least under present arrangements.

● Mr. Brock Adams, U.S. Transportation Secretary, has predicted that only a handful of U.S. cities will be prepared to take Concorde services, apart from New York and Washington—including Philadelphia, Dallas, Fort Worth.

He was commenting on new rules, effective July 31, aimed at controlling supersonic operations in the U.S. These set noise standards, prohibit sonic booms over the U.S. land mass, and put curfews on night operations by supersonic airliners.

The new rules exempt the 16 Concordes built so far from the regulations applied to other jet aircraft, but they must not be modified in any way to increase their noise levels.

Moreover all 16 aircraft must have logged "flight time" in passenger service by January 1, 1980, to qualify for this exemption.

# Birmingham £30m inner-city scheme approved

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BIRMINGHAM has approved a £30m three-year programme for its inner-city area, Mr. Reg Freeson, Housing Minister, announced yesterday.

Mr. Freeson is chairman of the partnership committee set up to co-ordinate the efforts of Government departments and local and regional authorities in urban aid. Birmingham is the first of the seven partnership areas to have approved a programme.

The city has approval to spend £10m in each of the three financial years beginning next April. Projects will qualify for at least 75 per cent Government grant.

The money is to supplement programmes under way and enable public bodies better to co-ordinate policies for regenerating the central area.

In the five years to 1976, population in Birmingham's inner area declined by more than 11 per cent, to 291,800, and about 52,500 jobs were lost. In the vehicles industry, the workforce fell by nearly 30 per cent.

**CHANGES IN EMPLOYMENT IN BIRMINGHAM AREA 1971-76**

| | Change in population 1971-76 Number | % |
|---|---|---|
| Vehicles | −14,962 | −28.9 |
| Metal manufacture and metal goods industries | −16,545 | −19.8 |
| Mechanical and electrical engineering | −11,962 | −22.3 |
| All manufacturing | −53,293 | −22.3 |
| Construction | − 3,982 | −14.1 |
| Services | + 5,011 | + 2.1 |
| Agriculture, mining, etc. | − 209 | −69.0 |
| Total, all industries | −52,473 | −10.4 |

Source: Department of Employment

## Key areas

Mr. Freeson said the agreed programme would provide guidance in which industry, commerce, voluntary bodies and community groups could best tie in their efforts with those of central and local government.

Initial efforts would be concentrated upon a few key areas. Handsworth and Sparkbrook, with their acute social difficulties, would get attention. Industry would be encouraged at Deritend, Duddeston, Saltley and Sparkbrook.

There are also hopes that with only a modest injection of public funds the Small Heath district might start a sustained programme of economic regeneration.

Under the partnership agreement, the City Council and West Midlands County Council have adjusted policies towards the common aim.

The county council has changed its five-year transport plan to give greater priority to two evpensive road schemes that will open up areas for redevelopment. Government support is sought for funds to enable the eastern section of the middle ring road and the Small Heath by-pass to go ahead as soon as possible.

Birmingham Chamber of Commerce is supplying information to the partnership committee about the needs and aspirations of local industrialists.

Work is in progress on schemes worth £11m in the current financial year, under the Chancellor of the Exchequer's £100m allocation to aid the construction industry. The largest project is for 35,000 sq ft of small industrial units and 550 carparking spaces.

The inner-city programme marks only a tentative beginning to what is recognised as a daunting task. Further study and detailed work is required upon what is envisaged as a 10-year programme to prevent industry from drifting out of Britain's second city.

# Compulsory purchase powers sought by Highland Board

BY JOHN LLOYD IN INVERNESS

EXTENSIVE NEW powers, including the right to force landowners to sell their land and to nominate tenants, were proposed yesterday by the Highlands and Islands Development Board.

The powers are being sought by the Board because it believes that extensive areas in the Scottish Highlands and Islands are being deliberately neglected by their owners, so having a depressing effect on employment and income in some communities. The powers given to the Board when it was founded in 1965 have proved insufficient.

The Board's proposals, published in a consultative document in Inverness yesterday, will be passed on to the Government and it seems certain they will be accepted. Mr. Bruce Millan, the Scottish Secretary, yesterday "warmly welcomed" the proposals.

"Land is a fundamental resource of the area, which should be used to generate as much employment and income as possible," he said.

Not surprisingly, the proposals are likely to meet some opposition from landowners. Mr. Lindsay Hamilton, Highland executive officer of the Scottish Landowners' Federation, said the Federation could accept most of what was being proposed up to the principle of compulsory purchase. This was the crucial instrument of coercion in the Board's plan. Mr. Hamilton said he would want "further discussions" on that principle.

The Board's plan is based on local community involvement. The board or the local community could put forward a proposal to designate an area for alternative use. The case for designation would have to be approved by 10 per cent of the community, after which a local advisory council would monitor development plans.

An official hearing would be held if the owner of the land in question required it, before a final plan was drawn up. After a public meeting, the plan would go to the Scottish Secretary.

Sir Kenneth Alexander, chairman of the Board, said that he thought that in the course of this procedure most landowners would reach agreement with the plan being proposed.

# Ministers stand firm on worker directors

By John Elliott, Industrial Editor

MINISTERS made it clear to the Institute of Directors at a meeting last night that they were not prepared to budge from the principles of legislation on worker directors laid down last month in a White Paper.

The Institute is now to prepare detailed comments on the industrial democracy White Paper.

Lord Erroll, president, and Mr. Jan Hildreth, director general, pinned most of their opposition on the fact that companies could be compelled legally to have trade union-based worker directors.

## Dialogue

They also queried the effectiveness of the White Paper's ideas for a form of two-tier company board structure. Lord Erroll said that such an arrangement could be cumbersome and impede companies which needed to be "quick on their feet."

Mr. Edmund Dell, Trade Secretary, and Mr. Albert Booth, emphasised the voluntary options in the White Paper, and the Institute's representatives agreed to put forward their detailed views later in the summer.

Our Labour Staff writes: The TUC nationalised industries committee met chairmen of nationalised industries in London yesterday in what it described as a continuing joint dialogue on proposals contained in the White Paper on industrial democracy.

The TUC said before meeting that the committee was seeking "faster progress" in drawing up jointly gareed plans on industrial democracy by August so as to meet the Government's requirements laid down in the White Paper.

Shortly after publication of last year's Bullock proposals, the union leaders produced a series of their own recommendations. These included a demand for the right to initiate the process of introducing worker directors on to company boards, with union representatives being selected through the joint machinery of recognised unions rather than by ballot.

# Complaints against gas boards fall 10%

BY SUE CAMERON

COMPLAINTS AGAINST area gas boards have dropped by ten per cent, over the last year, according to the annual report of the National Gas Consumers' Council published yesterday.

The report shows there were 43,700 complaints to regional gas consumers councils in 1977-78 against 48,600 in 1976-77.

By far the highest number of complaints—33 per cent—were over sales and service standards. The council says British Gas should make more effort to ensure that customers are not inconvenienced.

Sir Mark Henig, deputy chairman of the council, said yesterday that nothing upset customers more than having to take a day off work to wait at home for a gas man who failed to appear.

"We keep telling British Gas that the problem is one of communication and information," Sir Mark said.

"A fitter may find that a particular job takes longer than expected, but all fitters are in radio contact with their offices.

"Surely, in this modern age, customers can be telephoned and told when a fitter is unable to keep an appointment.

"Most people today are on the phone and most consumers are prepared to be tolerant—provided they know the reason for the delay."

The council's report says that slot-meter consumers still tend to pay more for their gas than those who pay quarterly.

Demands for a fairer deal for slot-meter customers will be part of the council's five-point policy.

The council will also call for free appliance checks for all gas users, a more realistic approach to connection charges, no gas price increases until April 1980, and improvements in the code of practice governing disconnection to make it fairer and more effective.

The council fears that some consumers who genuinely cannot afford to pay their gas bills are being disconnected. Two out of every three cases referred to the Department of Health and Social Security as potentially needy are not accepted.

# John Brown plans £10m modernisation

BY JOHN LLOYD

JOHN BROWN ENGINEERING, one of the largest employers in the industrially depressed area of Clydebank, yesterday announced a £10m investment in its plant there.

A leading manufacturer of gas turbines, it is to invest in a programme aimed at replacing older machinery with modern equipment, but it has no immediate plans to increase its workforce.

Last week, the U.S.-owned Singer company announced more than 2,800 redundanies over the next four years.

The John Brown investment programme, spread over several years, is designed to increase efficiency rather than capacity, though Mr. Graham Strachan, group managing director, said yesterday that the company hoped to increase its market share in the long run.

The company's share of the international industrial gas turbine market is about 8 per cent. Major competitors include Hitachi of Japan, AEG of Germany, Fiat of Italy, Brown Boveri of Switzerland and Rolls-Royce and GEC of the UK.

Mr. Strachan said: "The gas turbine business is a highly competitive one and any company seriously engaged in it must be prepared to make a substantial re-investment of its profits in order to keep its plant and machinery up to date."

The bulk of the £10m will be raised from retained profits. Profits in the last financial year (ending last March 31) were £7.5m on a turnover of £71.2m, compared with £2.7m on a turnover of £52.1m in the previous year.

Mr. Strachan said that while output remained the same, there would be no need for extra staff. The company has grown from 1,000 employees at its inception in 1966 to 2,000 today. Around 400 employees had been taken on in the last two years.

## £9m orders

Last week it announced orders worth £9m for four gas turbine sets for customers in Holland, Dubai and the UK. It also signed a 10-year manufacturing agreement with the General Electric Company of America, covering its LM2,500 light industrial gas turbine.

The creation of John Brown Engineering was an attempt to move away from a reliance on marine engineering and ship-building. In 1968, John Brown Shipbuilders became part of Upper Clyde Shipbuilders, which in turn was liquidated in 1972.

The old John Brown yard was taken over by Marathon, a U.S. company specialising in the construction of oil rigs. The company closed its marine engineering interests in 1970.

# Teachers end meetings ban

ABOUT 100,000 teachers, members of the combined National Association of Schoolmasters and Union of Women Teachers, are to resume attendance at out-of-hours functions such as parent-teacher meetings.

The union has called off its ban because 80 of the 104 local education authorities in England and Wales have declared that out-of-hours functions are not part of teachers' contractual duties.

# Liability law proposals attacked by doctors

BY DAVID CHURCHILL

BUREAUCRATIC delays for doctors in dealing with patients would occur if the Pearson Commission proposals for increased civil liability are implemented, the Royal College of Physicians said yesterday.

The college, in its comments on the Pearson Commission's report, warns: "Safety first medicine may result in fewer accidents but it will also result in fewer cures, and the balance of advantage is unlikely to be in favour of patients as a whole."

The commission's report, published earlier this year, recommended that producers should be strictly liable for damage or personal injury caused by defective products. But it specifically rejected an attempt to exclude drugs from this recommendation.

The college, however, is concerned about the effect of a change in the law on doctors who use established medical drugs rather than drugs which are on trial. The college argues that it would be necessary for doctors to carry out strict documented procedures to prove that patients have been told of the possible consequences of the drugs.

"In the absence of such procedures doctors will be exposed to all manner of unjust claims by patients, whose self interest may impel them to forget any oral instructions/warnings they may have been given," the college says.

LABOUR NEWS

# Steelmen reject attack on wage controls

By Christian Tyler, Labour Editor

STEELWORKERS responded to pre-election fever yesterday by committing their industrial and financial support for the Labour Party and rejecting a Left-wing-backed assault on wage controls.

The effect of a decision by the Iron and Steel Trades Confederation third annual conference in Scarborough was to put the union among a minority prepared publicly to tolerate another Government-decreed pay norm, provided there are concessions on productivity bargaining and a shorter working week.

A resolution from Cambuslang, Scotland, opposing "any further period of pay restrictions" was lost 82-43. The Left took some comfort from the vote, since a similar resolution last year was overwhelmingly defeated.

The need to sustain Labour at all costs was the main argument deployed against the militants. But the conference was also reminded that if it had not been for the 10 per cent pay guideline of the present incomes policy, State steelworkers would have been unlikely to win such an increase from British Steel Corporation.

## Confidence

The delegates' vote will strengthen the already high confidence of Ministers that their discussions with the TUC over the next few weeks will produce an unwritten understanding for moderation in pay claims when Phase Three ends on July 31.

The party can also count on a substantial election donation from the confederation's political fund.

Mr. Bill Sirs, general secretary, reinforced Ministers' optimism by saying that while a few union leaders were publicly in favour of further pay planning, more were backing it privately.

Other speakers claimed that to support free collective bargaining would be to play into the hands of Mrs. Margaret Thatcher.

# Pay bid shelved as poll aid for Callaghan

BY PHILIP BASSETT, LABOUR STAFF

THE CONFEDERATION of Shipbuilding and Engineering Unions yesterday held back from attacking the Government's incomes policy because of the possible damage it might do to Labour in the forthcoming General Election.

Members of the confederation, which represents 2.5m workers, closed ranks behind Mr. James Callaghan in the face of the threat of a Conservative victory at the widely predicted autumn poll.

The decision will satisfy the Prime Minister, who will speak to the confederation's conference in Eastbourne tomorrow.

But the trade union movement's firm aim of achieving a shorter working week was emphasised yesterday by Mr. Hugh Scanlon, outgoing president of the Amalgamated Union of Engineering Workers. He put it at the top of the confederation's shopping list for the next pay round.

The movement against the attack on the Government's incomes policy and for a return to free collective bargaining, was led by Mr. Ken Baker, national officer of the General and Municipal Workers' Union, Britain's third-largest trade union.

He said: "The Tory Party will be delighted for our movement to accept any motion which might be an embarrassment to the Government. If this motion were to be accepted, Mrs. Thatcher would be delighted."

He was backed by Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff. Mr. Grantham said that a wage free-for-all would be "a return to chaos" and would "ruin us all. If this kind of motion were carried by us and the TUC, Mrs. Thatcher would sail home."

Mr. Grenville Hawley, proposing a motion for the Transport and General Workers, said that collective bargaining could and should be used in a socially responsible way. But he was forced to remit his motion at the insistence of the members.

However, the confederation backed a claim for the next wage round which called for a planned reduction in the working week to 35 hours without loss of earnings; and a minimum wage rate of £80 per week for craftsmen with graded percentages for other workers.

It also urged a graded percentage system for apprentices, a minimum of five weeks' holiday, consolidation of pay policy supplements into bonus rates and the restoration of differentials.

The split in the engineering industry between unskilled and skilled workers over differentials was illustrated when the Transport and General Workers Union, which represents most of the unskilled and semi-skilled workers in the industry, abstained from the confederation's otherwise unanimous vote for the claim.

# Keep piece-work say helicopter workers

BY NICK GARNETT, LABOUR STAFF

MANUAL WORKERS at Westland Aircraft's Yeovil factory yesterday reaffirmed their opposition to the company's intention of scrapping piece-work.

They also decided almost unanimously to withdraw their labour if the company imposed pay and working conditions that had not been agreed by the unions.

Westland, which says that long-standing pay wrangles are seriously jeopardising its performance, has written to the workers threatening them with dismissal notices after the failure to negotiate a new wage structure.

Show stewards said yesterday that withdrawal of labour might involve a strike, a sit-in or simply acceptance of dismissals. They do not intend action over the warning of dismissals, although the attitude of the workers appears to be hardening.

Mr. Mike Webber, the stewards' convenor, said that the meeting, at which only a handful of workers out of more than 1,500 voted against withdrawing labour, produced a greater majority against the company's proposals than a ballot of workers a month ago.

The company said it had made no further decision on the matter since the dismissal warnings, but the stewards are expecting notices to be sent shortly.

Westland believes that abandoning piece-work would help the company out of its difficulties and secure helicopter manufacturing at Yeovil. The union believes the proposal would cause a serious reduction in earnings.

Mr. Bob McCusker, assistant general secretary of the Association of Scientific, Technical and Managerial Staffs, told the Confederation of Shipbuilding and Engineering Unions yesterday that the union would be approaching the Government soon to ensure that financial difficulties at Westland did not bring about the collapse of the company.

The confederation called for the Government to reconsider the need for nationalising the helicopter industry by incorporating it into British Aerospace.

# Murray challenge on 'list'

By Our Labour Correspondent

MR. LEN MURRAY, TUC general secretary, yesterday challenged the Economic League to publish any list it might have of trade unionists' political affiliations.

Mr. Murray, commenting on a newspaper report that the league, a free enterprise organisation funded by prominent companies, was providing inquirers with the political and trade union history of job applicants, said: "People who present themselves for jobs should be considered on merit."

The suggestion that people were keeping lists "would be deprecated," Mr. Murray added.

The league's director of research and information was not available for comment yesterday.

# Unions near acceptance of ICI wage offer

BY PAULINE CLARK, LABOUR STAFF

UNIONS representing 55,000 ICI manual workers are moving towards acceptance of a company offer within the Government's pay guidelines, in spite of resistance from a section of shift workers.

Mr. John Miller, national secretary for the chemicals industry in the Transport and General Workers Union, confirmed yesterday that indications from report-back meetings so far were in favour of the major part of a 10 per cent deal, although negotiations would continue on the introduction of a 35-hour week.

The union negotiators, who are still waiting for a formal response from craft workers, also hope to win eventual acceptance of a proposal to forgo consolidation of the Phase One £6 supplement for the time being, to maximise the amount of new cash available for all workers.

Most rejections of the present offer are said to come from shift workers who want full consolidation of the last two years' pay supplements.

The ICI shop stewards' combined committee decided this week to launch a programme of selective industrial action over the issue among process workers in three plants in mid-Cheshire and Manchester.

# New dock labour scheme draft goes to MPs

By Our Labour Correspondent

THE DRAFT of the proposed new dock labour scheme was laid before Parliament yesterday by Mr. Albert Booth, Employment Secretary.

The intention of the new scheme is that all registered dock workers should be employed by individual employers and, in a substantial departure from the existing scheme, there is consequently no provision for a temporaily unattached register.

Workers registered under the 1967 scheme will qualify automatically for inclusion on the new register. Others whose jobs will be classified as dock work for the first time would go on an extension register initially and be transferred to the main register within two years.

# Doctors give warning

BY DAVID CHURCHILL

BRITAIN'S 24,000 family doctors yesterday gave a clear warning to the Government not to delay implementing 18.5 per cent pay rises which are due to be phased in over the next two years.

The doctors, at their sectional conference in London yesterday, overwhelmingly passed a resolution warning of possible sanctions if the pay award was not honoured.

The doctors are worried that, as has happened before, a phased pay rise may be blocked by any future rigid pay policy.

The family doctors decided not to support the junior hospital doctors in seeking separate pay negotiations with the Department of Health and Social Security.

While sympathising with their colleagues, they agreed that the Review Body was the best system at present.

# Protest at length of Tether tribunal

FINANCIAL TIMES REPORTER

THE AMOUNT OF TIME an industrial tribunal had spent considering a claim by Mr. Gordon Tether, the former Financial Times columnist, that he was unfairly dismissed was described yesterday by Mr. Thomas Morison, counsel for the Financial Times, as "scandalous."

Mr. Morrison made his comments about the length of the tribunal hearing when he began summing up, on the 44th day.

The tribunal is considering a claim from Mr. Tether, 64, former Lombard columnist, that he was unfairly dismissed 20 months ago. He is asking for compensation and reinstatement.

Mr. Morison told the tribunal, headed by Mr. William Wells, QC: "The amount of time this case has taken can and should be described as a scandal."

Referring to Lord Donovan's Royal Commission on Employers and Trade Unions, which formulated the unfair dismissals procedure, he said that the case amounted to "a perversion of the mechanism for deciding these disputes," and was "a travesty of justice calculated to bring the whole of this procedure into disrepute."

The commission had suggested that claims for unfair dismissal should be lodged within five days of dismissal, and suggested that a necessary part of a satisfactory procedure was that it be conducted "speedily."

Throughout the case there had been a danger that over-indulgence to an unrepresented litigant (Mr. Tether) on the one hand could produce an unfairness to the respondent (the Financial Times) on the other.

The only way to compensate the Financial Times for the "unfair effect of the length of the proceedings" was to award the newspaper costs.

On a "broad view" of the case the tribunal was considering a "breakdown between employee and employer, or employee and manager."

Mr. Tether, he said, had made it impossible for the newspaper to "manage him" and impossible for Mr. Fredy Fisher, the Financial Times editor to carry out his editorial duties.

While Mr. Fisher had shown his willingness to accept that he had made mistakes in the execution of his editorial function, or might have made mistakes, Mr. Tether did not and could not accept that he "bore any blame at all." Mr. Tether did not accept anyone as his superior or accept any criticism of his work.

Mr. Morison suggested six areas the tribunal should consider in making its findings. Among these was Mr. Tether's distrust of all in authority over him and his "irrational view of the dispute."

Mr. Tether had no ability to compromise or to admit the possibility of his fault.

Mr. Morison, while stressing that he did not want to put pressure on the tribunal, said that it would be "perverse" if not "whimsical" for it to find against the newspaper on the basis of the documentary evidence before it.

Opposing Mr. Tether's claim for reinstatement, Mr. Morison said that it was not made in good faith.

Mr. Fisher genuinely believed that some of Mr. Tether's articles had not "married up" with the standard he had expected.

There was never any ground for thinking that Mr. Fisher had feelings of "obsessive hostility" toward Mr. Tether.

About 46 articles by Mr. Tether in two years were "banned" by the editor either because of quality or because they fell outside his range of subjects.

Mr. Tether's claim that there was no consultation before a directive limiting and confining him to a range of financial subjects, said Mr. Morison, was "sheer lunacy."

The very reason for the directive was that there was no consultation, and the directive was intended only to ensure that more of Mr. Tether's articles appeared in the newspaper.

Mr. Tether, completing his summing-up earlier yesterday, said that there were "no grounds for a reasonable editor to have come to the conclusion in good faith that it would have been damaging to the reputation of the Financial Times" to publish the articles.

He was a columnist of long standing. The Financial Times, no matter what it thought about his work, "could not reasonably come to the conclusion that there was any reason for terminating my employment."

His reinstatement would be a "good thing for the Financial Times," and would show the FT was willing to "bury the hatchet."

He accused the newspaper of handling the dispute in a manner "calculated to inflict the maximum damage." His reinstatement on the Lombard column was the only way "completely to repair the damage to my professional reputation." No other column would give him the same "job satisfaction." The Financial Times was cynical in suggesting that he did not really want the column back.

He was a columnist of long were reinstated after the tribunal he would be able to "get on together" with Mr. Fisher.

Mr. Tether denied that he contributed to his own dismissal. The case continues today.

# Fifth fewer days lost through strikes

BY NICK GARNETT, LABOUR STAFF

WORKING DAYS lost through strikes in progress during the first five months of this year showed a drop of about a fifth over the same period last year, falling from 3.6m to 2.8m.

The number of workers involved in stoppages over the same periods also fell by 15 per cent, from 452,000 to 383,000. The number of individual stoppages fell slightly, from 1,188 to 954.

Over January to May this year, disputes involving pay and fringe benefits totalled 577, involving 143,000 workers.

The next two main categories were disagreements over manning and work allocation, causing 119 disputes involving 20,000 workers; and dismissal and disciplinary difficulties, producing 91 stoppages with 17,300 workers involved. Working conditions and supervision formed the only other area that caused more than 50 stoppages beginning in the period.

Provisional figures in the Employment Gazette's June edition shows 158 strikes beginning in May this year as against 193 in April.

Working days lost in all strikes in progress last month, at 414,000, were also down on the April total of 573,000. The number of workers involved in strikes in progress during the period, however was about the same at just below 85,000 for each of the two months.

# Overtime ban

JOURNALISTS on the Press Association news agency yesterday decided to step up sanctions on Monday in support of a pay claim. The increased action will involve a complete ban on voluntary overtime and non-journalistic work.

# EEC proposal on doorstep sales attacked

BY IVOR OWEN, PARLIAMENTARY STAFF

PROPOSALS BY the EEC Commission to strengthen consumer safeguards against doorstep selling strongly opposed by mail order firms and insurance interests—were condemned on all sides in the Commons last night.

**Mr. John Fraser,** Minister of State for Consumer Affairs, bluntly declared that, as at present drafted, an EEC directive on contracts negotiated *away from* business premises was not an acceptable basis for legislation in the UK. He called on the Commission to take an entirely new approach.

The Minister *accepted an* Opposition amendment urging the Government to secure the withdrawal of the Commission's proposals and undertook to secure their replacement by something more acceptable to the Government and the House.

At one point, Mr. Fraser questioned whether the detailed nature of the draft directive, embracing doorstep sales of bread and milk, emergency help provided by electricians and plumbers and even the AA's breakdown service for stranded motorists, was compatible with the Commission's role.

"Matters in this directive barely involve intra-Community trade," he said.

With support from other anti-Marketeers Mr. Enoch Powell (UU Down S.) seized on these words as possibly marking a significant change in the Government's approach to the EEC and perhaps indicating a new determination not to allow Parliament to be overruled from Brussels in matters of essentially domestic legislation.

Mr. Fraser complained that the draft directive was diffuse and included proposals likely to have a perverse effect.

*He instanced the disruptive* influence which the Commission's proposals would have on the agency-operated and catalogue-based mail order business *which already provided consumer* safeguards going far beyond those required by law.

The mail order traders' organisation had pointed out that the EEC proposals on *documentation* would involve them in the distribution of 790m additional pieces of paper. "I don't call that documentation. I call it Community confetti," he declared.

Mr. Fraser was also insistent that the directive should not apply to insurance contracts. "I am not *saying* that there should not be control over the 'hard sell' of insurance on the doorstep. But that should be the subject of an entirely separate regime."

Mr. Fraser was also critical of the attempt made in the directive to stipulate a lower cash limit for doorstep trading.

Even though the initial figure of £17 had been amended, the Government believed that this was another matter which should be left to the national judgment of each member-State.

*While admitting the need for* improved consumer protection over cash doorstep sales, the Minister commented: "If the commission had not intervened *with the draft directive,* we would have probably legislated already to deal with cash transactions as well as credit transactions."

Action had already been taken, providing that from July 1 anyone selling goods and services in the UK on the doorstep on credit would need a special licence.

Subject to certain *limits, debts* incurred by unlicensed traders or through unlicensed brokers might well be irrecoverable.

Leading the attack on the draft directive from the Opposition front bench, Mr. Giles Shaw (C., Pudsey) scoffed: "This seems to be a big sledgehammer with which to crack a nut on our doorsteps.

"Are we really going to have to protect people from French onion-sellers pedalling their way through Pudsey or itinerant *Italian ice-cream sellers inching* their way through Ilfracombe?"

Mr. Shaw welcomed the robust attitude taken by the Minister, and urged MPs to endorse the *Opposition's amendment* and so deal "a firm and final blow" to the directive.

"We cannot accept this kind of intervention in our affairs, which *is so contrary* to the standards of trading over such a long time."

# Tories want tougher attitude to Soviets

By John Hunt, Parliamentary Correspondent

DEMANDS THAT the Government should take a much tougher attitude towards Soviet involvement in Africa were made by the Conservatives in the Commons yesterday when **Dr. David Owen,** *Foreign Secretary,* faced questioners.

**Mr. Richard Luce,** a Conservative foreign affairs spokesman, demanded that unless Russia mended her ways, the West should retaliate with economic sanctions, including the stopping of grain supplies and the provision of cheap credits to the Soviet Union.

*Mr. Luce asked Dr. Owen* to say whether he agreed that detente was indivisible and that our African policies should be seen in the wider context of Western relations with the Soviet Union.

He thought that the time had come for Britain and the Western world to show a more robust approach to the Soviet Union. *If they persisted in their* "destructive policies" in Africa, we Prime Minister's speech in New supply them with privileged credit facilities or grain supplies.

In *reply, Dr. Owen* took a cautious line. He agreed that detente was indivisible and did not think that the sort of adventurism we had seen in Africa could be excluded from this. We should, however, be very wary of thinking that Afrcan problems were an East-West issue. They should be seen primarily in an African context.

We had already made a response by deciding to strengthen the NATO alliance and to increase defence expenditure in the face of the steady increase in the strength of Warsaw Pact forces.

**Mr. Julian Amery** (C. Pavilion) a former Minister of State at the Foreign Office, complained of the Prime Ministers speech in New York in which Mr. Callaghan had said that we could not allow differences with the Soviet Union over Africa to interfere with detente.

This, said Mr. Amery, would be regarded as "the green light" for Moscow to go ahead with Soviet adventurism in Africa and southern Arabia.

Liberal foreign affairs spokesman, **Mr. Jeremy Thorpe,** suggested that we should test the intentions of the Russians by asking them to back a cease-fire across the frontiers in Rhodesia.

Dr. Owen told him that the Russians would probably deny that they had any involvement in that area. Yet we knew that they did supply arms to the liberation movements and this gave them a great deal of influence. It was important that we should try to offset this by the supply of humanitarian assistance.

**Mr. John Stokes** (C. Halesowen and Stourbridge) asked the Foreign Secretary to comment on the speech by Mrs. Margaret *Thatcher, the Conservative leader,* in Brussels last Friday in which she called on the EEC to take Western defence interests into account in reaching economic decisions.

Dr. Owen thought it would be unwise to have a situation where membership of the EEC was firmly linked with membership *of NATO. We should see them as* two distinct organisations which had many areas of common interest.

# Foot beaten in vote on party document

BY RUPERT CORNWELL, LOBBY STAFF

MR. MICHAEL FOOT, Labour's deputy leader and arch-traditionalist, yesterday suffered a heavy defeat as the Left-dominated National Executive Committee adopted as party policy a document calling for a sweeping reform of the House of Commons.

Mr. Foot, leader of the House and former standard-bearer of the Left in Parliament, has always opposed any tampering with the procedures of the Commons, and especially any move to strengthen the powers of Select Committees.

Yesterday, however, at a full meeting of the national executive, he clashed with Left wingers, including Mr. Anthony Wedgwood Benn, Energy Secretary, who described Mr. Foot's stand as a "direct negation" of the proposals.

Backed only by Mr. Michael Cocks, Government Chief Whip, who, *exceptionally,* was present, although not a member of the NEC, the Leader of the House urged that the document, which demands reinforced Select Committees and tighter legislative scrutiny of public spending, be demoted to the status of a mere "advisory" paper before the party conference, with no official blessing from the executive.

Both argued that, if implemented, the document would make it much more difficult for a Labour Government to carry into law manifesto commitments and items of party policy. But Mr. Ian Mikardo, MP for Tower Hamlets, warned that to downgrade the suggestions would be tantamount to burying them.

In the event, Mr. Foot's proposal was voted down by 12 to 9, and the NEC then adopted the document by 13 votes to 5. If approved, by the party conference, it will join the abolition *of the House of Lords* as official Labour policy.

# Britain has more than 41m voters

By Philip Rawstorne

BRITAIN'S registered voters now exceed 41m—about 1m more than the total on the registers at the last General Election in October, 1974.

Electoral statistics published by the Office of Population *Censuses and Surveys yesterday* show that the registers which came into force in mid-February contain 41,157,752 names. The total in October, 1974, was 40,072,971.

Included in the current electoral lists are 576,306 young people who will reach the age of 18 before the registers expire next February.

*Some two-thirds of these* young voters are expected to be eligible to vote if the General Election is called in October.

The numbers of young people *coming on to the registers* are reflecting the "baby boom" of the late '50s and early '60s. More than 553,000 were registered in 1977.

In all parts of the UK there has been an overall increase in the number of electors.

To keep up with electoral inflation of another sort yesterday, the Government published a *Bill* to provide for increases in the campaign expenses of Parliamentary candidates.

The Representation of the People Bill provides for new *limits of £1,750 plus 2p for every* elector in county constituencies and 1½p for every elector in borough constituencies.

These compare with the present limits of £1,075 plus 6p for every six electors in the counties and 6p for every eight electors in the boroughs.

The changes would come into effect for an October General Election if the legislation is enacted by the end of the session.

No changes are proposed in expenses for local government elections which were raised last year.

Future increases to take account of inflation would be made by Order rather than Act

# Mrs Thatcher outlines her pay policy

BY RICHARD EVANS, LOBBY EDITOR

A SHARP DISTINCTION between pay bargaining in the private and public sectors under *a Conservative Government* was drawn yesterday by Mrs. Margaret Thatcher, the Tory Leader.

She confirmed during a by-election tour of Penistone, Yorks., that there would be free collective bargaining in the private sector, but that this would not be permitted in the nationalised industries or other areas of the public sector.

In the nationalised industries pay increases would depend on increases in efficiency and productivity, while in local authorities, the Health Service and education they be kept within strict spending limits the Tories would impose.

But Mrs. Thatcher insisted that she was not going to lead an election on threats. "I believe we will be able to get reasonable and commonsense bargaining. I hope people will get wage increases by increasing productivity and efficiency."

Her tough attitude toward the public sector means that the pay negotiations are certain to be a live issue in the General Election campaign. Mr. Callaghan is expected to underline the Tory attitude when he addresses trade union conferences in the next few weeks.

Mrs. Thatcher went on to attack Labour as the party engaged *in redistribution of* wealth rather than paying attention to creation of wealth.

"You cannot make a nation prosperous unless you have the incentive to do so. I am afraid the incentive is just not there," she said.

She was convinced that "the jobs of tomorrow" would come from the small businesses. If you were going to close large plants, you had to sow the seeds of *tomorrow's* businesses, which would be small.

# Labour to redraft plans for ban on blood sports

BY RUPERT CORNWELL

LABOUR HAS got pre-electoral cold feet over its plans to make a ban on all bloodsports, including foxhunting and harecoursing, official party policy on which to fight the next general election.

At a meeting of the National Executive Committee yesterday, party chiefs decided to re-draft *in considerably milder terms* the original document approved by its key Home Policy Committee. Only then will the proposals stand a chance of finding their way into the manifesto.

Objections to the original documents were led by the Prime Minister, who claimed that the working party responsible for it had "scattered its shots too widely" and succeeded in worrying even anglers whose sport would not be affected.

Mr. Callaghan left no doubt he was wholeheartedly behind a ban on stag hunting and harecoursing. Significantly he omitted to mention foxhunting, and there was a wide suspicion last night that this may be dropped from the revised proposals.

The Prime Minister promised, however, that the amended proposals would stand a very good chance of adoption into the manifesto when that was drawn up by the joint committee of NEC and the Cabinet.

Earlier, Mr. Anthony Wedgwood Benn, Energy Secretary, also called for the proposals to be re-examined. Like several other NEC members, he stressed the need to distinguish between blood sports and the wider issue of cruelty to animals.

# UK to press EEC on farm prices

BY REGINALD DALE

BRITAIN will continue to press for a reduction in the proportion of the EEC Budget devoted to farm price support, Mr. Joel Barnett, Chief Secretary to the Treasury, assured MPs yesterday.

This could be achieved by reducing the amounts spent on surplus products while increasing funds for social and industrial policies, he told the Commons Select Committee on European Legislation Etc. (that is the name of the committee).

The effect of such an exercise could well be to reduce the overall size of the Budget, of which about 70 per cent goes to agriculture, Br. Barnett said.

He certainly hoped that the 1979 Budget would be less than the Commission's preliminary draft estimates of almost £10bn tabled at the end of last month.

On the basis of the preliminary figures the UK's net contribution would be about £1bn, Mr. Barnett told the committee.

He stressed that the Budget was most *unlikely to be so high* after its passage through the Council of Ministers, due to start its examination of the Commission's proposals on July 18.

Mr. Barnett came under strong *pressure from committee members* to try to force the hands of the nine Minisetrs of Agriculture by refusing to accept estimates for farm price support in the Budget Council.

While agreeing that this was a possibility, he warned that it could result in major disruptions for farmers throughout the Community. The essential aim must be to change the Common Agricultural Policy in the Council of Ministers of Agriculture, and this the Government was trying to do.

Mr. Barnett warned of the danger of allocating money to non-agricultural policies like unemployment and industrial investment without sufficient forethought.

He would want to be sure the money was not going to be wasted, or duplicate national efforts. "Simply throwing money at a problem does not necessarily solve it," he said.

# Healey in well-matched TV confrontation

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Mr. Healey and Mr. William F. Buckley Jr. (right), the U.S. commentator, whose exchange of views were recorded earlier this week.

A TELEVISION discussion between Mr. Denis Healey, Chancellor of the Exchequer, and Mr. William F. Buckley Jr., the conservative U.S. commentator and polemicist, can only be described in the language of confrontation.

To use the words "interview" or "dialogue" would be too mild.

The exchanges disclosed more about the style of each participant than the substance of his thought. *But there was a rare* and revealing insight into Mr. Healey's views on the role of ideology in politics.

The meeting occurred in London *earlier this week when Mr. Buckley recorded an edition of* his weekly hour-long "Firing Line" programme with Mr. Healey as his guest. This will *be shown early next* month in the U.S., but not in the UK.

The protagonists were well matched: neither man makes a fetish of modesty while both have an extensive knowledge of history, politics and literature, enjoy dialectic and have a well-developed taste for the barbed remark.

The appropriate metaphors for the occasion were those of fencing since, for once, the view of Mr. Healey as the boxer was not quite appropriate.

Mr. Healey countered from the start — perhaps, at times, too *strongly to win over his audience.* His approach contrasted with the outraged, or more subtly defensive stance, adopted by some TV guests in response to Mr. Buckley's distinctively Right-wing arguments.

The Chancellor presented himself as a practical man of affairs *and compared this with the* different roles and responsibilities of the commentator.

He noted that while the politician was concerned with being right, the journalist was *concerned to be bright and then* gave a mock apology as an "unfrocked intellectual" for falling from saintliness. As usual, his sharpest remarks were prefaced *by the half-qualification* "with great respect..."

Mr. Healey took the opportunity to explain some of the mysteries of Britain to a U.S. *audience. British politics, he said,* had always appeared deficient in system to outside observers since it had few theorists.

In a passing reference to the *conservative revival in the U.S.,* with which Mr. Buckley is closely identified, the Chancellor asserted that theorists flourished in Left-wing movements at their birth but in Right-wing movements at their death. *Mr. Buckley dissented.*

Mr. Healey added that he believed that socialist theory could only set a sense of direction. *He also argued against* defining the limits of the size of the public sector by law or in advance, and was pleased that the UK did not have a referendum device like the tax-cutting proposition in California.

Defending the Labour Government's policy, Mr. Healey pointed out that the relative industrial decline of the UK had lasted a century, and that more, not less, attention had been devoted to material things in the last two decades.

# Lynch urges UK pledge on Irish unification

FINANCIAL TIMES REPORTER

MR. JACK LYNCH, the Irish Prime Minister, yesterday called *on the British Government* to declare its interest in the eventual unification of Ireland.

In a speech to the Dail, the Irish Parliament, he said that a lasting peace could be obtained "only by a coming together of the people of this island, in peace and under agreed structures."

Mr. Lynch also claimed that the Irish Republic's anti-terrorism laws were now more severe than any other country in Western Europe.

Meanwhile, Mr. Sean MacBride, the Nobel Peace Prize winner, involved in last year's talks between the Provisional IRA and Protestant paramilitaries, has said that the time is probably right for another attempt at a *cease-fire in Northern Ireland.*

Explaining remarks be made earlier, he said he knew contacts between the IRA and the Loyalist paramilitaries were continuing, but he did not know how far they had gone.

In a varied career, Mr. MacBride has been chief-of-staff of the IRA, an Irish Government Minister and UN Commissioner for Namibia. He took part, along with Mr. Desmond Boal, Belfast lawyer and former Unionist MP, *in* talks aimed at a cease-fire between the two sets of paramilitaries last year.

*Although that attempt failed,* Mr. MacBride said yesterday that both sides now realised that neither could win and that the question should be settled by Irish people, rather than the British Government.

He saw in this a basis for negotiation, although he did not maintain that agreement would be forthcoming in a matter of days.

Neither he nor Mr. Boal had been involved in any further contacts recently, but both were willing to become involved again, *if the paramilitaries thought they* could be useful and were available to resume discussions.

# Peers approve electricity Bill

THE BILL giving up to £50m to the Central Electricity Generating Board to compensate it for the early start to the Drax B power station at Selby, Yorkshire, passed its remaining stages *in the Lords yesterday.*

The Nuclear Safeguards and Electricity (Finance) Bill has already ben through the Commons.

# State industry Ombudsman Bill supported

WITHOUT A vote MPs yesterday approved in principle establishment of an ombudsman to investigate Britain's nationalised industries.

But the Bill, introduced by Mr. **Tony Durant** (C. Reading N) and given a *first* reading has practically no chanceot of becoming law at this late stage in the parliamentary session.

Mr. Durant said that state *industries, in a monopoly* position, used vast sums of taxpayers' money and did not take as much account of consumers as private industry.

# UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output, engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment *(excluding school* leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Indl. prod. | Mfg. output | Eng. order | Retail vol. | Retail value | Unem-ployed | Vacs. |
|---|---|---|---|---|---|---|---|
| **1977** | | | | | | | |
| 1st qtr. | 103.2 | 105.2 | 109 | 103.3 | 216.4 | 1,330 | na |
| 2nd qtr. | 101.9 | 103.0 | 106 | 102.5 | 222.0 | 1,330 | 163 |
| 3rd qtr. | 102.7 | 103.7 | 106 | 104.3 | 234.2 | 1,418 | 151 |
| 4th qtr. | 102.2 | 103.2 | 107 | 104.4 | 239.4 | 1,431 | 157 |
| **1978** | | | | | | | |
| 1st qtr. | 103.2 | 104.1 | 109 | 106.3 | 246.0 | 1,409 | 188 |
| Jan. | 102.9 | 103.7 | 106 | 104.9 | 241.0 | 1,419 | 180 |
| Feb. | 103.5 | 104.0 | 118 | 106.8 | 246.5 | 1,409 | 187 |
| March | 103.2 | 104.5 | 103 | 107.0 | 249.8 | 1,400 | 196 |
| April | 104.8 | 105.5 | | 106.7 | 250.3 | 1,387 | 204 |
| May | | | | 109.0 | | 1,366 | 210 |
| June | | | | | | 1,365 | 217 |

**OUTPUT**—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts *(000s, monthly average).*

| | Consumer goods | Invst. goods | Intmd. goods | Eng. output | Metal mnfg. | Textile etc. | Housg. starts* |
|---|---|---|---|---|---|---|---|
| **1977** | | | | | | | |
| 1st qtr. | 115.9 | 99.4 | 106.1 | 100.4 | 83.9 | 104.4 | 19.0 |
| 2nd qtr. | 113.4 | 97.5 | 105.2 | 98.7 | 80.5 | 100.2 | 25.1 |
| 3rd qtr. | 115.1 | 98.0 | 104.7 | 99.6 | 83.3 | 100.7 | 25.4 |
| 4th qtr. | 117.0 | 97.5 | 101.9 | 99.1 | 74.8 | 99.7 | 20.7 |
| Dec. | 118.0 | 98.0 | 102.0 | 100.0 | 79.0 | 101.0 | 16.1 |
| **1978** | | | | | | | |
| 1st qtr. | 117.1 | 98.6 | 104.9 | 100.2 | 76.8 | 100.2 | 17.8 |
| Jan. | 117.0 | 99.0 | 104.0 | 100.0 | 75.0 | 100.0 | 17.4 |
| Feb. | 117.0 | 98.0 | 106.0 | 100.0 | 78.0 | 100.0 | 15.3 |
| March | 118.0 | 99.0 | 104.0 | 101.0 | 78.0 | 101.0 | 20.7 |
| April | 119.0 | 99.0 | 108.0 | 100.2 | 81.0 | 102.0 | 25.3 |

***EXTERNAL TRADE**—Indices of* export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

| | Export volume | Import volume | Visible balance | Current balance | Oil balance | Terms trade | Resv. US$bn* |
|---|---|---|---|---|---|---|---|
| **1977** | | | | | | | |
| 1st qtr. | 115.7 | 109.1 | −947 | −493 | −800 | 99.0 | 10.5 |
| 2nd qtr. | 118.0 | 109.8 | −794 | −365 | −745 | 100.3 | 14.9 |
| 3rd qtr. | 124.1 | 106.4 | + 54 | +357 | −602 | 101.0 | 13.4 |
| 4th qtr. | 117.9 | 102.6 | + 45 | +486 | −657 | 102.4 | 20.39 |
| Dec. | 118.9 | 108.1 | − 76 | + 71 | −276 | 103.1 | 20.56 |
| **1978** | | | | | | | |
| 1st qtr. | 120.3 | 114.3 | −574 | −305 | −646 | 105.1 | 20.63 |
| Jan. | 112.2 | 114.6 | −338 | −248 | −236 | 105.5 | 20.87 |
| Feb. | 127.4 | 111.3 | + 43 | +132 | −202 | 104.8 | 20.7 |
| March | 121.4 | 116.9 | −279 | −189 | −208 | 104.8 | 20.32 |
| April | 126.1 | 103.0 | +223 | +343 | −115 | 104.0 | 17.04 |
| May | 120.1 | 112.5 | −169 | − 49 | −109 | 105.2 | 16.66 |

**FINANCIAL**—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); *domestic* credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

| | M1 % | M3 % | Bank advances % | DCE £m | BS inflow | HP lending | MLR % |
|---|---|---|---|---|---|---|---|
| **1977** | | | | | | | |
| 1st qtr. | 1.3 | − 8.8 | 5.3 | − 74 | 492 | 1,008 | 10½ |
| 2nd qtr. | 24.8 | 14.9 | 5.5 | +769 | 1,290 | 1,047 | 8 |
| 3rd qtr. | 28.0 | 10.4 | 20.3 | +365 | 1,084 | 1,149 | 7 |
| 4th qtr. | 25.1 | 12.6 | 8.3 | +698 | 1,565 | 1,189 | 7 |
| Dec. | 23.2 | 12.6 | 8.3 | +161 | 421 | 410 | 7 |
| **1978** | | | | | | | |
| 1st qtr. | 25.1 | 24.2 | 17.5 | +1,819 | 1,049 | 1,260 | 6½ |
| Jan. | 23.2 | 17.3 | 13.4 | 258 | 368 | 429 | 6½ |
| Feb. | 26.8 | 25.5 | 18.0 | 963 | 353 | 418 | 6½ |
| March | 25.1 | 24.2 | 17.5 | 598 | 308 | 413 | 6½ |
| April | 19.1 | 24.7 | 13.1 | 1,437 | 335 | 463 | 7 |
| May | 13.2 | 15.6 | 18.8 | 1,096 | 212 | | 9 |

**INFLATION**—Indices of earnings (Jan. 1976=100), basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

| | Earn-ings* | Basic matls.* | Whsale. mnfg.* | RPI* | Foods* | FT* comdty. | Strlg. |
|---|---|---|---|---|---|---|---|
| **1977** | | | | | | | |
| 1st qtr. | 112.5 | 341.5 | 248.0 | 174.1 | 184.7 | 276.4 | 61.8 |
| 2nd qtr. | 114.5 | 347.7 | 259.2 | 181.9 | 191.1 | 250.0 | 61.6 |
| 3rd qtr. | 116.1 | 340.5 | 267.7 | 184.7 | 192.1 | 239.9 | 61.8 |
| 4th qtr. | 119.9 | 330.6 | 272.1 | 187.4 | 193.3 | 234.20 | 63.3 |
| Dec. | 121.7 | 328.0 | 273.3 | 188.4 | 194.8 | 234.20 | 63.8 |
| **1978** | | | | | | | |
| 1st qtr. | 123.1 | 326.7 | 279.0 | 190.6 | 197.3 | 238.61 | 64.6 |
| Jan. | 121.5 | 324.9 | 277.1 | 189.5 | 196.1 | 226.41 | 66.0 |
| Feb. | 122.7 | 324.2 | 279.2 | 190.6 | 197.3 | 224.86 | 66.0 |
| March | 125.0 | 331.0 | 280.6 | 191.8 | 198.4 | 238.61 | 64.1 |
| April | 127.2 | 337.5 | 282.8 | 194.6 | 201.6 | 238.94 | 61.8 |
| May | | 341.8 | 284.4 | 195.7 | 203.2 | 250.67 | 61.4 |

* Not seasonally adjusted.

JOHN BOURNE REVIEWS THE MEMOIRS OF THE FORMER TORY CHANCELLOR

# Maudling—the Prime Minister who never was

SIGNIFICANTLY, IT is a cartoon of Reggie Maudling removing a beaming mask to disclose an identical beaming face, which he has chosen as one of the main *illustrations in his* memoirs—incidentally, a far more readable book than those of some of his contemporaries.

*The* cartoonist's caption—"Everyone likes the Prime Minister who never was"—was an acute contemporary comment on the shrugging acceptance of *his 150-133 vote defeat by* Edward Heath in the first ballot for the election of the Conservative Leader in 1965. With such a narrow result (Enoch *Powell was third, with 15 votes)* Mr. Maudling could have run in a second ballot. But he did not, a piece of inaction which he dismisses in a typical throw-away phrase: "There was not much point in asking people to say the same thing over again."

Even more revealing, however, is the author's comment printed below the caption of the cartoonist, Leslie Gibbard. *This is:* "Could any politician hope for more from a cartoon?" Were this not a rhetorical question, the reply of most senior politicians in both major parties would undoubtedly be a resounding "No."

To those politicians who believe that Reggie Maudling was one of the best Prime Ministers Britain never had, his political autobiography will be in parts as lively, perceptive, and amus*ing as Gibbard's cartoon. But* it will tell them little more than they already know or guess about what made one of our most intelligent post-war statesmen tick, or—more aptly—not tick.

There are, of course, anecdotal sidelights and cogently argued passages about his political philosophy which help to focus more clearly Mr. Maudling's double image as a jovial, witty and intellectual bon viveur, and as a gentle giant of the Tory Left wing. But the enigma remains.

How did a man of his ability (a First in Greats at Oxford and one of *the few people who* could have argued Winston Churchill into deleting a favourite passage from a draft speech) fail to try harder for the supreme political office? And how did the man destined to be one of the Tories' most successful Chancellors of the Exchequer fail to detect earlier the personal flaws of Poulson and, to a lesser extent, Hoffman? Of Poulson, Mr. Maudling writes: "I do not see how I could have done so: certainly no one else did, and the activities for which he was to pay such *a severe penalty* were known only to himself and those who were participants in them."

And of Hoffman, Mr. Maudling records that within a *few months of hearing disquiet*ing news about the financier's activities in the U.S., he resigned as a director of Hoffman's organisation for collecting overseas funds for buying real estate in America.

But the memoirs do give a closer insight into some aspects of Mr. Maudling's character—for example, his repeated denials that he is lazy—as well as confirming his considerable reputation as either an *innovator,* or an important influence, in his party's attitudes towards economic growth, incomes policy, the trade unions, Northern Ireland, the Middle East, Russia and the former African colonial territories.

But the picture he gives of himself in the memoirs occasionally borders almost on self caricature. Take this part of a prep-school vignette: "I was grossly over-weight, and as the fattest boy in the school I spent most of my time being sat on by everyone else (in the rugby scrum) . . . I think my sole distinction in the OTC was fainting on parade one afternoon, no doubt after excessive enjoyment of the lunch hour I had spent at the school tuck shop." And of a Hallowe'en charity ball at an ice rink: "I was dressed as a brown owl. Perhaps this was the first occasion on which I began to acquire my reputation for sleeping, if not, alas, for wisdom." All good Billy Bunter stuff, but *it makes it easier to understand* why many Tory MPs regarded his tongue-in-cheek banter as a sign that he lacked "political bite."

Mr. Maudling's is the sort of wit which might well have led the redoubtable Lord Salisbury to repeat the words he first applied, in a very different context, to Iain Macleod: "He is too clever by half." In his memoirs, Mr. Maudling remarks—in the best style of the Oxford University Union: "We have had Selsdon Man and it took some time to get over that. We do not yet know the full measure of Selsdon Woman."

Also his sometimes acute political perceptions will not endear him to some of his colleagues, particularly to Sir Keith Joseph, Mr. Powell and Mrs. Thatcher: "There are *many problems that do not yield* to logic, but there are few that can be solved by methods that are blatantly illogical. This is one reason why I have always *disliked* the extreme in politics. The present truth always lies somewhere in between, as party conferences are never prepared to recognise, and future progress should be the purpose of current contradiction. The Hegelian process of thesis and antithesis leading to synthesis is the essential principle of human progress." (Mr. Maudling was a fervent Hegelian at Oxford). "In politics it may be called the Middle Way. Butskellism, or consensus. By any name it makes sense to me."

Certainly in his two unsuccessful bids for the Tory leadership, he willingly accepted the consensus of his party, although he admits that "the weight that sits on a Prime Minister's shoulders is an awesome one. While the Heath contest was in progress, I could not help from time to time, particularly late at night, brooding on the responsibility I was seeking to undertake.

"It is one thing to be leader of your country because your supporters wish you to do it. Then you can sleep easy with your conscience . . . It would be another thing to sleep easy with your conscience in the dark and dangerous days that inevitably come if you know you had assumed the responsibility because you had wanted it, fought for it, campaigned and contrived for it yourself."

Perhaps here Mr. Maudling partly answers the question why he did not become leader of the Conservative party.

**Memoirs,** by Reginald Maudling: Sidgwick and Jackson, pages 285, £7.95

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

## Sensing speed with highest accuracy

MANY FORMS of speed detection equipment exist and are used in industry. But the hallmark of good design is simplicity and ease of use and an in-bearing electronic sensor called "Revtel," developed over the past two years fulfils these criteria completely, while having potential applications that its producers, RHP at Stonehouse in Gloucestershire, are only just beginning to realise.

Very few pieces of equipment in any industry come without drives of one form or another and their drive shafts are invariably carried in bearings. There is thus always a place for a Revtel to measure speed with absolute accuracy, or angular displacement, or acceleration and—in the future—many other parameters of machine functioning which could include temperature and vibration and possibly torque.

Bringing the speed sensor into the bearing means that problems and costs of secondary drives to separate tachogenerators do not exist.

Internal structure of the Revtel is mechanically simple. The stationary ring of the bearing, inner or outer, carries the device. The rotating ring has fitted to it a toothed disc which passes close to a proximity detector which is producing a field, modified each time a tooth moves into it. This means that the detector emits a pulse corresponding to each tooth and it follows that speed measurement is absolutely accurate since there is no slippage and operation is at electronic speeds.

Output is a strong signal and the electronic circuitry embedded in the plastic disc forming one wall of the bearing can be chosen to provide a train of pulses for interpretation outside the device, or an analogue signal to feed directly to a meter.

Exciting is the prospect that the discrete components now used will be relatively easy to incorporate into a single hybrid integrated circuit with comparatively few restraints on what can be asked of it, other than cost, which implies mass-production and mass application.

And because the application of electronics, including microprocessors, is spreading rapidly to most forms of control processes, the Revtel is a natural "component" for such work.

In speed regulation and control loops, the unit will prove invaluable and several companies in the UK are already looking at possible applications.

The reason why the company moved away from magnetic and inductive sensing lies in the fact that these methods were unsuitable for use on bearings. RHP spends a lot of time eliminating magnetism from its bearings and to induce it through a sensor would shorten the life of the unit very considerably because wear metal would be attracted to the rolling surfaces.

The coil around the sensor probe therefore operates at radio-frequency so tuned that the probe becomes very sensitive to metal at close range.

The sealed structure of the Revtel prevents ingress of dirt and resists damage. Temperature operating range is typically from minus 20 to plus 120 degrees C.

Typical cost for mass applications would be in the order of £5 per unit which means bearing and sensor. For more esoteric uses at high speeds—say up to 20,000 rpm—costs would be of the order of £100 to £200.

No exact figure can be put on developments costs to date and some support has been forthcoming from the DoI. A figure of around £200,000 would not appear unreasonable and while this may appear high linked with a product which seems so simple, it is the price UK companies have to pay to stay in business through innovation in the face of severe foreign competition based on massive production.

UK and foreign patent rights have been obtained or applied for.

One interesting development that has already been brought to the prototype stage is a portable electronic tachometer incorporating its own Revtel and power source which is accurate up to 19,000 rpm with a resolution of ± 1 rpm in a 10 second period.

Further details from Revtel Department, RHP Aerospace Bearings Division, Stonehouse, Gloucestershire GL10 3RH. 045 382 2333.

● SAFETY

## Survival in a vault

BY THE very nature of their construction, vaults or strong rooms are effectively air-tight, a security measure which often worries staff and employers because of the possibility of persons being accidentally locked in. Should this happen, the air will soon become unpleasant and, depending on the number of people incarcerated, the oxygen content will be exhausted after a time, causing death by suffocation.

The problems of rescue are the same for bona fide staff or those involved in criminal activity. Increasing pressure on management — not just from staff associations, unions or social conscience, but also from implications of the Health and Safety at Work Act — means that extra effort must now be made to guarantee the safety of persons where vaults and strong rooms are used.

An emergency ventilator system which provides a simple but effective lifeline to trapped people, yet is impervious to criminal attack and does not detract from the invulnerability of a vault or strong room, has been launched by Security Lock and Safe and Mather and Platt Alarms.

The system, which has been designed for operation by a trapped person within a strong room, comprises a blower unit plus a tube and core assembly. The blower unit is a small metal cabinet containing electrical and mechanical components and also housing a flexible hose. These two items are installed adjacent to each other on the inside wall of the room, but where there is access to the external surface of the strong room wall. The core is normally secured in the tube to provide protection equal to or perhaps superior to the wall construction.

In use, the core is removed from the tube by withdrawing the locking pin with the handle provided. The flexible hose is taken from the container in the blower unit and pushed through the tube to its full extent. Sufficient hose length ensures the free end passes through the full wall thickness and hangs freely on the outer facing of the strong room wall.

A powerful fan unit will now suck fresh air in through the hose and blow it out into the vault or strong room area causing air movement to be set up and partly pressurising the strong room. The external diameter of the hose is less than the 3 inch internal diameter of the tube and external pressure will now force air through the tube effectively providing adequate air change to sustain a breathable atmosphere within the room. In addition, it also allows simple voice contact and in extreme circumstances could provide limited access for other items such as water and food.

Should all other forms of lighting be extinguished, a trapped person can easily locate the system and instructions for its operation from a back-lit plaque on the face of the cabinet which is permanently illuminated.

The company demonstrated the resistance of the system this week when, under what would be ideal conditions for criminal practice, attacks were made by drills, oxy-acetylene torches and explosives. After 15 minutes of constant drilling against the tube, a depth of only ¼ inch had been penetrated—the detonation of a four-ounce explosive pack at the tube end merely succeeded in producing a slight dent.

The system is intended to be installed as a complete unit, but it is possible to install the tube and core assembly only during construction of a strong room wall when existing budgets will not allow the relatively small expense of the blower unit at that time. This will be of limited use in an emergency but would save the later expensive operation of drilling a complete strong room wall.

Further from S.L. & S. & Company at 209 High Street, Penge, London SE20 7PF (01-659 1324).



● PLASTICS

## Accuracy in moulding

ALONGSIDE EXTRUSION, blow moulding and rotational moulding, injection blow moulding is gaining in importance in the manufacture of small hollow articles, says Bayer UK, with the introduction of a new version of its Makrolon polycarbonate.

Other grades have been used over the years for making hollow articles by the blow moulding process, ranging from baby bottles with a capacity of 250 ml to bottles for drinking water and 20-litre water canisters. Now, says the company, its new material promises better mould release properties than other grades of Makrolon usable in this process.

The injection blow moulding process results in high dimensional accuracy both in the vicinity of the opening and as regards circumference and length. It also gives uniform wall thickness distribution. Other advantages, says the maker, are that it can be used when very close weight and volume tolerances are prescribed and gives a stable receptacle with no seams or shearing marks on the bottom.

Most important points of the product in blow moulding are its dimensional stability, transparency and break resistance. The dimensional stability of this engineering plastic is said to remain very good under heat—an essential property where filling temperatures are high. It can also be sterilised and is free of any odour or taste.

Because of its good break resistance and easy cleaning, it is suggested as the obvious material for returnable bottles.

More from the company at Bayer House, Richmond, Surrey TW9 1SJ (01-940 6077).

● COMPUTERS

## IBM mini's new powers

HARDWARE AND software enhancements have been announced by IBM which extend the power and distributed data processing abilities of the Series 1 rack-mounted general purpose computer.

The new processor, 4955E has twice the main memory of the previous top-of-the-line model and 65k bytes expandable to 262k bytes in 65 byte increments. It will be available in December on a purchase-only basis, at the basic price of £7,222.

For the one-line storage of data and programs a new disc sub-system 4963 has an updated microprocessor to deal with its housekeeping and is offered basically with capacities of 58 or 64 megabytes. These sub-systems can be attached in multiple form to the processor enabling over 1,000 Mbytes to be added to a Series 1 machine.

The diskette unit has also been made more capacious, having been redesigned in magazine form in a sliding carriage arrangement which accommodates 23 diskettes, any one of which may be selected for processing in one of three drive slots. Data rates of up to 125k bytes/sec have been achieved.

Prices for the disc drives will be from £6,496 to £7,632 while the diskette magazine unit starts at £3,089.

A further development is new hardware and programming which make it possible to transfer data between application programs on Series 1 and certain System 370 models. Storage-to-storage communications takes place at 300k bytes/sec.

Other introductions are an intelligent terminal sub-system, a graphics package that can be used with non-IBM video devices and a number of real-time programing enhancements.

More on 01-935 6600.

● HANDLING

## Redesigned to win an order

TO WIN major French orders, Anchorpac has redesigned its automatic front loading vehicle mounted mobile waste compaction system—equipping it with self-levelling arms and a greater lift capacity than any other similar machine on the market.

The highly manoeuvrable front loader system is designed to collect and remove all waste from up to 100 close, but relatively small, separate collection points and eliminates the conventional need for main separate compactor/container installations. It is also more economical to run than a fleet of multibucket skip-loaders operating with open top skips in a confined area.

One man can pick up, and discharge, the contents of many filled bins every hour without moving from his cab.

Anchorpac, Bell Lane, Amersham, Bucks.

## Identifies samples

MAGISCAN image analysis system is a research tool which enables precise quantitative measurements to be extracted rapidly and automatically from virtually any kind of optically presented image.

Joyce-Loebl (Vickers Group) developed the system in collaboration with the Department of Medical Biophysics at Manchester University for research projects [illegible] automatic identification and counting of asbestos fibres.

Other applications of the Magiscan include quantitative examination of materials ranging from steels and nuclear fuel elements to rock cores, ceramics and coke. Location of resources from aerial or satellite photographs is a field showing great promise, while in industry the system is suitable for particle-sizing applications ranging from research into latex dispersions to quality control of pigments, sugar, chocolate powder and abrasives.

The Magiscan system differs from other equipment now available in that the vital function of "feature extraction"—that is, the picking out, from the raw image, of the particular features that will be of interest—is performed by software in a dedicated processor.

Joyce-Loebl, Marquisway, Team Valley, Gateshead NE11 0QW. 0632 823111.

● METALWORKING

## Small gas cutters

TWO NEWLY-DEVELOPED portable gas-cutting machines from ESAB of Gillingham, Kent, are simple, but robust, and meet industrial demands for portable gas-cutting equipment capable of tackling many applications.

Thyristor-controlled drive enables a cutting speed to be achieved of up to 1,250 or 2,500 mm/min respectively, in forward and reverse directions. The machines are available for all customary gases and can also be used for plasma cutting and welding operations.

Cadet 2000 can be equipped with one or two, the Pilot 2000 with up to four, single torches or two triple torch assemblies. Straight, circle and shape cuts as well as various weld bevels and scarfing cuts up to 80 degrees can be carried out. A special track for straight cuts is not required, the machines can be guided by a simple angle iron of about 30 by 5 mm. The wide variety of additional equipment which can be supplied for handling different applications fulfils almost all possible demands which can be expected from a portable machine.

ESAB, Beachings Way, Gillingham, Kent, ME8 6PU. Medway (0634) 344 55.

● COMPONENTS

## Longer life for car heater hose

THE USE of a synthetic rubber reinforced with short fibres of cellulose gives a significant improvement in life to a hose called Fibreline, says the maker, BTR Hose, Centurion Way, Faringdon, Leyland, Lancashire.

The hose is manufactured in a single operation by extrusion through a diehead which simultaneously orientates the microscopic fibres in a circumferential direction. The extrusion die and the treated fibre have been developed by Monsanto, while BTR claims it is the first manufacturer to bring the technology into commercial production.

Following a test-marketing operation the product is being supplied to the replacement market for car heater hoses and the company expects that it will be fitted as standard in production models later this year.

Advantages claimed over rubber hose is flexibility throughout the range of working temperatures, resistance to heat, cold and ozone, and a manufacturing process which promises an improved weight/strength ratio and a uniformly strong and reliable reinforcement.

## Protecting the machine

UNDERWRITTEN by Eagle Star Group Engineering Insurance, a plan has been introduced by International Computers to provide "wide yet economic" coverage of customers' machines.

ICL says that it has had increasing demand from customers for advice and guidance on insurance and risk control. The new plan will offer a choice or combination in three main areas of cover: "all risks," including breakdown, of damage to equipment or data processing media; additional expenditure incurred in maintaining or recovering the data processing operation after damage to equipment or media; the costs of reconstituting the data.

Many of the exclusions found in policies of this type are omitted and the ICL plan recognises that if a computer is knocked out expenditure must be incurred immediately to speed recovery. The normal restriction that only a specific proportion of the sum insured may be spent in the first month or so is absent.

Reconstitution of records from unprocessed "raw" data is allowed for and there is also cover against malicious corruption of data.

More on 01-788 7272.

● MATERIALS

## Safer in the air

MEETING PROPOSED regulations of the Federal Aviation Authority, Premix Fibre-Glas, 28 Firth Road, Houston Estate, Livingston, West Lothian, Scotland, has introduced a new compound to replace traditional polyamide materials for production of ceiling panels and other interior linings in the upper lounges of the Boeing 747.

This is compression-mouldable Premix Type 2202 CR-SX sheet moulding compound with, says the company, an attractive finish and also satisfying the FAA ruling which is intended to minimise smoke build-up so that cabin exits will remain visible for four to five minutes in the event of a fire following a "survivable" crash.

More on Livingston 35121.

● PERIPHERALS

## Display's many functions

VT100 TERMINAL from DEC has a detached keyboard, 44, 66, 80, or 132 column lines, double width and height characters, smooth scrolling, and a variety of video functions.

Characters are generated in a 7 x 9 dot matrix, and can be altered to reverse video, blinking and underlined, as well as normal video at dual intensity. The terminal is designed to drive an auxiliary monitor enabling information to be shown to larger groups.

A composite video input is also available, permitting a complex incoming video signal to be combined with text on the terminal's screen. All functions such as baud rates, tabs, and parity, are set using the terminal's keyboard.

The functions are stored in non-volatile memory in the terminal, or are sent from a host central processor and stored in the terminal's volatile memory section. This eliminates the need for separate mechanical switches, thereby increasing terminal reliability.

A universal power supply permits the same unit to be adapted to a variety of different voltages and frequencies without remanufacturing or use of adapters. The VT100 has been designed to fit on a standard typewriter table, and can fit easily into an office environment.

More details from DEC at Digital House, Kings Road, Reading, Berks. 0734 583555.

## Gathering the data anywhere

PUT ON the market by Base Ten Systems of Aldershot is a microprocessor-controlled data collection and recording unit which can be programmed to suit the application.

Called mDAS, the equipment is ruggedised for use in the field and in vehicles. It will accept up to 128 single-ended analogue inputs in the range 10 mV to 2.5 V full scale and up to 24 eight bit parallel digital inputs which might be multiple event markers or discrete values. Built in is a ¼ inch magnetic tape cartridge unit to record the data and play it back.

The use of the micro means that customer requirements such as random channel access, engineering unit conversion, linearisation and transducer correction, level checking, peak detection, counting and alarm monitoring can be provided as needed. Connection to a remote modem or interface is possible. Scan rate is up to 25 kHz, depending on word length and processing overhead time.

Operating from 11 to 30 V DC or the mains, the unit in its case measures 8.25 x 16 x 10 inches and will operate over the temperature range −5 to +45 degrees C.

More on 0252 312911.

THE JOBS COLUMN

# Footholds in Whitehall • The £240m question

BY MICHAEL DIXON

IT TURNS out that the Civil Service Commission was even more upset than I was nine weeks ago about its recruiting only a single new mandarin from industry and commerce last year.

Moreover, the other private-sector applicants for "mature" entry as principals to the service's elite administrative division were not, in the main, rejected by some holier-than-thou interviewing panel. They failed in the later practical tests of their ability at important aspects of mandarin work, such as an "in-tray" exercise and a simulated committee session.

The fundamental rule of Civil Service committee behaviour, I'm told, is never to show emotion above the table top. When fury or the like is straining your impassivity, you have to dissipate it by kicking your legs about. The corollary is that if you want to know how civil servants are feeling, you should look under the table at their legs.

Since the Civil Service Commission experienced a similar dearth of acceptable external candidates for the older mandarin entry in 1976, a glance under its table at the moment would no doubt evoke memories of the closing stages of the Tour de France cycle race.

The reason for the current gnashing of toes is that, of the 25 openings for principals aged 28 to 52 which have just come on to the market, 13 are in departments heavily involved with industrial and commercial affairs

Most of the jobs, like about 40 per cent of the present total of 746,000 Civil Service posts, are in London. Some, however, will be at the Scottish Office in Edinburgh, and there will be one for a person with experience of computers in Hastings, and another in beautiful Norwich for an adept at industrial relations.

Candidates do not need to have a formal qualification, but as usual the commission declares that they should be of an intellectual standard equivalent to that of a "good honours degree." Quite how they measure that, I do not know, especially since these days I seem to be coming across more and more "good honours graduates" whose most noticeable intellectual trait is a tendency to confuse whatever just happens to come into their heads with thinking.

Depending on their experience the recruits for the London posts will start at a salary somewhere between £7,255 and £9,190. But they apparently will not be chosen in the first place unless the selection board believes that they have the ability to climb to the rank of at least assistant secretary, where the salary in London is currently £12,375.

I detect, by the way, an expectation among the commission that a fair number of the 25 principals' jobs will go to women, who have increased their representation in the Civil Service as a whole from two in every six employees five years ago, to two in every five last year.

Since it seems to me to be in the national interest that the mandarin ranks be enlightened by more people from industry and commerce, I hope that the desired crop of good external candidates will send for an application form to the CSC at Alencon Link, Basingstoke, Hants RG21 1JB, telephone Basingstoke (0256) 68551—quoting of course the reference A/651/FT.

Given an end to the famine of the past two years, the commissioners will undoubtedly celebrate with a right knees-up.

But there is a snag, especially since most of the jobs are in London. It is the Civil Service rule that removal expenses may not be paid to anyone joining the service from outside.

This rule is not to the Civil Service Commission's liking and clearly, if the country is to have more industrial and commercial experience among its top bureaucrats, the rule needs to be changed. The cost of paying removal expenses to new recruits would be fairly heavy, but it could surely be covered by savings in public expenditure elsewhere.

## Waste not

AS IT happens, an impressive document published today indicates that the necessary "removal expenses" money not only could, but should be saved. The economy lies in the Government's scheme to increase public spending on higher education — already planned at roughly £1,460m for 1981—by about a further £240m a year.

Whitehall's reason for this proposed 16 per cent boost of the taxpayers' bill for graduate-production is an impending hump in the number of British youngsters reaching the age of 18, at which about 13½ in every 100 currently enter full-time or sandwich courses of higher education.

Now, in February the DES came out with a "discussion document" arguing that student demand for full-time and sandwich course places in universities and polytechnics would rise beyond the 560,000 student places planned for 1981.

Between then and 1994, the demand would increase to about 600,000 places' worth, before declining again sharply in line with the reduced birth rates since the mid-1960s.

The DES offered five strategies for accommodating this hump. But Gordon Oakes, Minister of State for Education, has since indicated that the Government is firmly behind just one of them. It is to provide universities and polys with the permanent capacity for the 600,000 students and, as the 18-year-old age group subsequently declines, to fill the excess places with older, and especially working-class students.

So it looked as though the extra £240m annually was as good as pre-empted, until the arrival of today's comprehensively documented counterblast from the Conference of University Administrators.

The Government's figures predicting a demand for 600,000 places were based on a rise in the proportion of 18-year-olds entering higher education from 13½ to 18 in every 100. Indeed, if this "age participation rate" did not rise beyond 15 per cent, the Government conceded that the 560,000 places would be about enough to accommodate the hump.

So it will hardly be to Whitehall's pleasure that the burden of the university administrators' impressive argument is that an expected participation rate of even 15 per cent is "probably an optimistic figure."

They go on to show, too, who benefits from the expansion of higher education. Despite a tripling of student numbers since 1960, the proportion of university students from the manual-working, semi-skilled and unskilled classes — which make up about 64 per cent of the population—was only 23 per cent in 1976. The corresponding proportion of polytechnic students was, in 1972-73, only 28 per cent.

True, Mr. Oakes's stated plan is to increase the intake of working-class students after the predominantly middle-class 18-year-old contingent begins to make way for them 16 years hence. But the trouble is that the only evidently serious attempt to open higher education to children from poorer homes, in Sweden, has failed signally.

A top Swedish manager I met recently commented that, even worse, the expansion of degree courses there has increasingly closed off career progression to people who are not graduates, so further reducing opportunities for worse-off youngsters and thoroughly dismotivating them.

Perhaps we might do better to devote most of the £240m instead to providing incentives to work by reducing tax levels.

Junior Management £8,500+

# INTERNATIONAL BANKING

Rapid expansion is causing our clients in International Banking to seek a number of junior managers to help support this continuing growth.

The posts offer excellent career prospects and there will be opportunities to serve overseas. An initial salary of £8,500 will be enhanced by fringe benefits which include a non-contributory pension scheme, a favourable house loan scheme, and free membership of B.U.P.A.

The upper age limit is 35. Knowledge of international banking is not essential provided applicants have a good banking experience and have passed the Institute of Bankers' examination.

**Applicants should write providing c.v., salary progression and any other relevant data to The Managing Director, MLH Consultants Limited, 148/150 Grosvenor Road, London SW1V 3JY.**

*Should there be any bank to which applicants do not wish their details to be forwarded, these should be listed on the outside of an internal envelope addressed to the security manager at the above address.*

MLH Consulting Group of Companies

# Finance Director

London to £15,000 + car

The UK subsidiary of a large multinational food group wish to appoint a Finance Director.

The person appointed to this key position will report to the Managing Director and will be responsible for directing all financial and accounting activities of the company, with special emphasis on the development of management information systems.

The man or woman appointed will be aged over 30, will be a qualified accountant with a thorough background in accounting and finance, and will possess self-confidence and leadership skills; recent experience in the food industry or a consumer goods environment is desirable but not essential. The remuneration and benefits will reflect the importance of the position.

Please write in confidence, quoting reference T875, and enclosing concise personal and career details to D. E. Sheilard.

AMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL

# Corporate Finance Executive

This appointment is with Williams, Glyn & Co., the merchant banking subsidiary of Williams & Glyn's Bank, and is based in the City. The successful candidate will almost certainly be a 25-30 year old Chartered Accountant having at least two years' post-qualification experience, possibly in the investigation department of an accountancy firm. Working as part of a team, the successful candidate will become involved in all aspects of acquisitions, mergers and new issues.

The work is interesting and exacting, calling for meticulous attention to detail. It requires a professional approach and the ability to identify and follow up new business opportunities as well as to communicate at senior levels. There will be some travel to clients in the UK.

Salary is negotiable and should be of interest to someone earning at least £6,500 at present. Excellent career prospects. Generous fringe benefits include subsidised mortgage facilities and a profit sharing scheme.

Applicants should write giving full career details and quoting reference B.896, to: M. T. Brookes, Williams & Glyn's Bank Limited, New London Bridge House, 25 London Bridge Street, London SE1 9SX.

WILLIAMS & GLYN'S BANK

International Banking BAHRAIN

# CREDIT DEPARTMENT HEAD

## Up to US$ 30,000 tax free

Our client is a rapidly growing international bank with multinational Government backing which will ultimately provide a wide range of merchant and commercial banking services in a steadily increasing number of major world financial and trade centres.

The present requirement is for a Credit Department Head in Bahrain to manage and develop the department with immediate responsibility for all aspects of credit analysis and administration relating, for the most part, to major international loans.

Potential candidates, who must be graduates aged between 30 and 40 with at least five years relevant experience in a medium or large international bank are invited to write in confidence for further particulars to:

Myles Walker
MSMS INTERNATIONAL LIMITED
Executive Recruitment Advisers
115 Mount Street
London
W1Y 5HD
Tel: 01-493 6807

# CHARTERED ACCOUNTANT

## MERCHANT BANKING

Director of special projects team in old established firm seeks young qualified ACA as Personal Assistant / portfolio manager / subsidiaries' Accountant. Salary c. £6,500 to £7,000 + excellent benefits. Tel./write in confidence:

**Accountancy Personnel Senior Appointments, 41-42 London Wall, London EC2. 01-588 5105.**

**SPRECHEN SIE DEUTSCH ?**
*An E.C.2 Bank requires an*
**ASSISTANT LENDING OFFICER**
with a minimum qualification of 'A'-level German. *The successful* candidate will have 2 years' experience in Loans Administration, *Balance Sheet Analysis* and A.I.B. Part I or management training. Highly competitive, negotiable salary.
**L.J.C. BANKING APPOINTMENTS**
**01-283 9958**

**BOOKKEEPER** for small private investment firm. Write Box A.6402. Financial Times, 10, Cannon Street, EC4P 4BY

# Deputy Company Secretary c.£6,500 p.a.

The Property Division of the Rank Organisation, Rank City Wall Limited, wishes to appoint a Deputy Company Secretary at its Headquarters in London S.W.3.

The position requires the successful candidate to deputise for the Company Secretary in his absence in all matters including attendance at Board meetings, there will however be specific responsibilities which will include ensuring compliance with statutory requirements by all companies within the group, dealing with the legal implementation of transactions affecting certain of the Division's properties and *instructing solicitors, etc.*

This position would ideally suit a man or woman in their early 30's. Salary will be negotiated according to your background and as part of the Rank Organisation a first-class benefits package is offered.

Please apply in writing giving brief details to:

**Valerie Apps, Central Services Personnel Manager, The Rank Organisation Limited, 439-445 Godstone Road, Whyteleafe, Surrey, CR3 0YG. or telephone for an application form on Upper Warlingham 3355.**

THE RANK ORGANISATION

# Assistant Partnership Secretary Guildford

## c £6,000 (including bonus)

Due to rapid growth, a well established firm of solicitors, with offices in the City and Guildford, specialising in shipping, insurance and transportation work, wishes to appoint a young Accountant to assist the firm's Partnership Secretary in a wide range of activities.

Reporting to the Partnership Secretary, the candidate appointed to this new position will be responsible for the preparation of the firm's financial and management accounts and the administration of the Accounts Department. Additional duties will include aspects of office and personnel administration as well as the transfer of management information from its present mechanised form to a computerised system.

Suitable applicants will be qualified accountants in their early twenties. Ideally they will have worked in a professional environment and have the ability to work effectively with senior management and staff at all levels.

A salary of £5,500 plus bonus will be offered, together with other fringe benefits.

Please write with adequate particulars to Diana Ashman, Personnel Services Division of:–

*Spicer and Pegler & Co.,*
*Management Consultants,*
*3 Bevis Marks,*
*London EC3A 7HL.*

# MONEY MARKET

## CHIEF DEALER

Experienced dealer aged 28/35 required in Gulf area for major Bank. Initial contract 3 years. Free accommodation and car, 6 weeks leave p.a. to include one free return air ticket for dealer and dependents. Attractive tax-free salary; other details negotiable.

## BOND DEALER

City-based overseas Bank requires a Eurobond dealer experienced in foreign exchange and deposit markets to join their dealing-room. Age 26/30 years. Excellent salary negotiable with usual U.K. fringe benefits.

## YEN BROKER

Experienced top broker required to head up Yen Team. Must be fully acquainted with personalities of all major banking houses dealing in Yen exchange and deposits. Probable age 32/42 years. Top salary negotiable with usual fringe benefits to suit.

*All replies in confidence to Cedric Masterman*
Dassington Limited
49/51 Bow Lane, London EC4M 9DL

# ENGINEERING ANALYST

Leading firm of Stockbrokers has a vacancy in its Research Department for someone to join its team covering the engineering and motor sectors. He/she will be responsible for the analysis of major companies in these sectors and will be expected to bring a good knowledge of accounting to this work.

In addition to applications from analysts working in these sectors, equal consideration will be given to qualified accountants with around two years' experience in industry or auditing.

Excellent prospects for the right person. Salary negotiable. Please apply to Box G.2124, Financial Times, 10, Cannon Street, EC4P 4BY.

# Chief Executive Underwriting

## c. £25,000 per annum

A major Insurance Group is seeking to appoint a Chief Executive to manage and develop its non-Lloyd's Underwriting activity.

Reporting directly to the Group Managing Director, the Chief Executive will be responsible for creating and implementing an expansion plan to increase further the profitability of the Group's Insurance Companies and Underwriting Agencies.

This senior appointment demands considerable managerial and technical expertise preferably acquired from experience abroad as well as in the U.K. It represents an appropriate career advancement for a person with high level general management experience in an Insurance Company, who now is seeking to influence strategic decision making at top Board level. The rewards for success in this challenging role will be considerable.

For further information please contact Mr. J. J. Gardner FCII, who is advising Whately Petre Limited on this appointment. His private telephone number is 01-623-8430 and strict confidence can be relied upon. Ref. 435.

WHATELY PETRE LIMITED, Executive Selection,
6 Martin Lane, London EC4R 0DL.

# Financial Analysis

## Circa £7000 Home Counties

Our client, a major international company marketing business equipment, has a vacancy for a financially orientated analyst in their Financial Planning Department. He or she will work as part of a dynamic, highly qualified team appraising and controlling large scale cost and revenue budgets, analysing product profitability and assessing the financial implications of proposed market strategies and pricing policy.

The appointment calls for a person of keen intellect with an eye for detail and the ability to solve practical business problems in financial terms. There are very real prospects of rapid career development into line or functional management, coupled with the opportunity to acquire invaluable experience in a large, modern and progressive company.

Candidates should be in their mid-twenties with around one or two years' commercial or industrial experience and hold a recognised qualification in accountancy and/or a degree in business studies, economics or other discipline calling for a high level of numeracy and analytical ability. The remuneration will be about £7000 p.a. together with normal large company benefits.

Please apply to Phil Hyson on 01-437 2515 (24 hour live answering service) or 01-734 4777 for a personal history form or send your curriculum vitae to the address below quoting reference: 261/FT.

Lunan
Management Selection Division

T.D.A. Lunan & Associates Ltd,
1 Old Burlington Street,
London, W1X 1LA.

# Finance and Administration Manager

S.E. England c £9,000 + car + benefits

Our client manufactures and distributes ethical pharmaceutical products and requires a qualified accountant with relevant experience, aged around 35, to report to the Managing Director on all financial and administrative matters.

The company has an annual turnover of £3 million. Accounting systems are operated on the inhouse ICL 2903 computer and the accounts department produces monthly management accounts, profit and cash flow forecasts. The successful candidate (male or female) will be expected to develop the reporting and planning function and contribute to the future profitable growth of the business, especially overseas. Accordingly experience should include corporate and export financing with an understanding of the taxation implications.

With prospects of a board appointment as Financial Director, candidates should possess a strong commercial flair and should be interested in becoming a key member of the small management team.

Please apply in writing, quoting reference F8102, to: Stanley Chesler,

SH Stoy Hayward Limited,
Management Consultants,
54 Baker St., London, W1M 1DJ.

Jonathan Wren · Banking Appointments
The personnel consultancy dealing exclusively with the banking profession

# BANKING OPERATIONS

Our client, a North American banking and financial institution, is seeking an Operations Manager.

Priority will be to supervise a study of the company's systems requirements with particular reference to banking operations, board recommendations, overseeing and directing the design and application of new systems. The successful candidate should have a thorough knowledge of computer systems and be fully familiar with U.K. banking practice.

This senior appointment will command a five figure salary and appropriate fringe benefits.

*To discuss this appointment in confidence, please telephone: NORMA GIVEN (Director).*

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

# Metals

## *Departmental Manager*

This is a new appointment in London for a major international trading group already engaged in metal trading.

The requirement is for a person who has already filled a senior managerial appointment and has had long-standing experience of trading in physical metals.

Candidates must be capable of extending the Company's existing world-wide trading connections; they should be aged 35 to 50.

Terms by arrangement, but those qualified are expected to be earning up to £20,000 p.a. currently.

Please write briefly with relevant career details – in confidence – to S. W. J. Simpson ref. B.38283.

*This appointment is open to men and women.*

**MSL** Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

# Department Head

## *Sugar*

to head the Sugar Department of a major international trading and manufacturing organisation, whose activities are spread throughout the world. It operates several commodity divisions, amongst which the sugar division is one of the most important.

The requirement is for a first class departmental manager having active contacts in international sugar markets. Responsibility will be to the Directors of the Main Board.

Candidates must be able to demonstrate several years' successful experience in a similar position, and should be in the 35 to 50 years age group.

Salary and emoluments negotiable around £20,000 p.a. or higher. Usual benefits. Location London.

Please write briefly with relevant career details – in confidence – to S. W. J. Simpson ref. B.38284.

*This appointment is open to men and women.*

**MSL** Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

# Schlesingers

Specialists in the management of private institutional and pension funds.

# Assistant Fund Manager

Schlesingers have an exceptional opportunity for an additional Assistant Fund Manager, based in their Hanover Square, London, W1 offices.

Candidates, aged mid-20s, must have a minimum of 2 years investment experience, and a degree or professional qualification would be an advantage.

This is a challenging opportunity for an ambitious, hard-working person to join a successful and expanding investment management group. Funds under management exceed £100m and include the *Schlesinger PIMS* unit trusts, the *Trident* range of insurance funds, private client and pension funds.

Salary will be commensurate with age and experience and the position offers outstanding career prospects within the company.

Applications, which will be treated in the strictest confidence, must include a detailed curriculum vitae and should be addressed in the first instance to:–

K.G. Hersey, Director
Bastable Personnel Services Ltd
18 Dering Street London W1
Recruitment Consultants

# Director Designate

## *Finance and Administration*

for a private company established in the UK by its overseas parent group in 1967, and now numbered amongst the top 7 importers in its field in this country. The company also trades extensively internationally, acts as importer and distributor and conducts third country deals. It employs 70; turnover is £35m. and it is profitable and currently negotiating further acquisitions.

Candidates should preferably be chartered accountants, age 33 to 45 with five years' previous experience in a similar business.

Initial salary £10,000 to £12,000 plus car. Given success early appointment to the Board is intended.

For more information and application form please telephone (01-629 1844 at any time) or write – in confidence – to G. V. Barker-Benfield ref. B.8145.

*This appointment is open to men and women.*

**MSL** Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

# Financial Services Manager

## *Computer Bureau*

A major computer bureau in London with a turnover approaching £10m. and with over 500 employees has been expanding by 30% annually. Management re-organisation has created a need for a Financial Services Manager, reporting to the Managing Director who will have profit responsibility for the sale, systems design and programming of real-time services mainly for financial companies and organisations. Candidates should have similar management experience in computer bureaux or in data processing management in the financial services industry.

Salary around £12,000 plus car and attractive fringe benefits.

Please send brief details – in confidence – to David Bennell ref. B.43543.

*This appointment is open to men and women.*

**MSL** Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

# Chief Accountant

South East Kent — Negotiable £7,000+

Here is your chance to fill a key management position within a company forming a major division of one of this country's most diverse public groups.

*Our client manufactures some of the finest analytical equipment in the country, and their name is synonymous with technical excellence and quality.* They are now seeking a Chief Accountant who will assume control of all financial and administration functions.

Reporting to the Divisional Director, you will be closely involved in the management of commercial aspects of the business, in addition to leading the financial team.

For this key post, you will be ideally between 28 and 45, qualified ACA/ACCA/ACMA with at least three years' experience in a manufacturing environment associated with an export-motivated company. You will have sound costing experience, knowledge of computerised systems and excellent leadership and communication skills.

A good package of benefits including generous relocation assistance, attractive location and good prospects for advancement make this an ideal career opportunity.

**PER** Professional & Executive Recruitment

**Phone me now Richard Foster, Maidstone (0622) 677612. PER, 5 London Road, Maidstone, Kent.**

*Applications are welcome from both men and women.*

# QUALIFIED ACCOUNTANT

Mitchell Cotts Group, an international company, needs a Chartered Accountant for its Group Finance Department based in their City headquarters.

Candidates, probably in their 20's, should have a minimum of one years post qualification experience, a good examination record and large company audit experience. Some taxation or Price Commission submissions experience would be helpful.

The job offers the opportunity to work in the department which is at the centre of the financial management and control fo this diversified Group. The appointment is seen as a stepping-stone to future career development, either in a line or staff role, in the Head Office or a Subsidiary Company.

The initial salary will be not less than £6,500 p.a. plus attractive benefits.

Please write giving brief but comprehensive details of your career to date to:

**Group Personnel Adviser,
Mitchell Cotts Group Limited,
Cotts House, Camomile Street,
London EC3A 7BJ.**

MC

# Accountants

Management & Financial — c £7,000

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**Royal Shakespeare Theatre**

# Measure for Measure

by MICHAEL COVENEY

The Royal Shakespeare Company's Vienna, as designed by Christopher Morley, is a dull black box whose fourth wall rises dramatically at the end for *the Duke's return.* Within it are contained many doors through which characters slip on and off, disappearing down corridors like obedient demonstrators of an unpalatable text. Before the *action, a figure of* blind Justice flies out of sight. Why does the Duke retreat? Michael Pennington, offering a study in devious cool similar to his unexpressive Mirabell, leaves us to decide whether he acts *out* of cowardice, defeatism *or* sheer exhaustion.

Barry Kyle's production is similarly undefined. Jonathan Miller set his version firmly in the Vienna of the 1930s, with unexpected rewards; at Stratford four years ago, Keith Hack read the play from the stews up in a mood of excited, gaudy Brechtianism. This most eva*sive and puzzling* of plays seems to work best through a straightjacket of directorial imposition. With an infuriatingly private Duke and a confused stage picture — Lucio in Carolinian leather, the law's representatives in Cromwellian black—*it is even* harder to penetrate than usual.

Leonard burt

Michael Pennington and Paola Dionisotti

The tattered system of justice that sends Claudio to prison for sleeping with Juliet, that rounds up the whores and finds employment for a bawd in the role of executioner's assistant, *must* be seen to operate throughout the social layers, all stemming from Angelo's *peevish and* ill-timed decision to punish Claudio. That spring, at least, survives vividly in Jonathan Pryce's desperately fastidious assumption of an office into *which he has* reluctantly backed with a look of sheer terror.

Mr. Pryce, at least, leaves you in no doubt as to what Angelo is doing, with the odd result that he emerges as the sympathetic centre of the play. He did not ask for the job; he does what he believes is expected of him by sentencing Claudio and then, shut up with the suppliant *Isabella, he stalks her on spindly* legs as the blood rushes to his head. No underhand lechery here, but an honest expression of lust as he realises what is happening. Given the lacklustre interpretation of Claudio and Mariana, and despite the obvious efficiency of John Nettles' spry Lucio, Mr. Pryce is the only actor on stage who behaves in a *recognisably human way.* The fact that the Duke's tactics are inhuman does not mean he is no more than a cadaverous enigma.

Over Paola Dionisotti's Isabella, I am totally confused. One *minute* an *innocent prig,* the next a mock-pious comedienne, there is no consistency at all in her reading. The production suggests that she, like the Duke, is a callous dissembler, but that makes nonsense of Shakespeare's idea of chastity as a virtue in whose name crimes are committed. The prison scene with her brother becomes an *excuse for a display of cynicism* rather than of a horrifying immutability.

Despite all this, there is a genuine tension to the final scenes, as the Duke switches his *ground and plays one character* off against another in a show of tyrannous muscle-flexing. But the attention is held by Mr. Pryce, completing a superbly rounded interpretation with a vacant and terrified stare of panicky regret while awaiting the final adjudication.

Rudolf Nureyev as Romeo

**Coliseum**

# Romeo and Juliet

by CLEMENT CRISP

Rudolf Nureyev is installed at the Coliseum during the next three weeks, in partnership with Festival Ballet for a fortnight; thereafter he is to be seen with the Dutch National Ballet.

This marathon of performances has begun with Nureyev's own staging of *Romeo and Juliet* for Festival Ballet, a production which, after the passage of a year, has not gained in interest for me. It has vigour of a particularly frenetic kind, but no emotional development—at the end Romeo and Juliet remain as shadowy as they do at the ballet's start. The choreographic texture is dry, busy, the dances impelled along with a nervous energy that is restlessly determined that *inanition* is to be avoided at all costs. In one of the great love stories, love itself seems absent; instead, physical bravura replaces passion, and a feverish unease is offered instead of *lyricism.*

This impulse towards activity rather than expression seems to me to be central to Nureyev's own performance. At a time when most male dancers might feel that care and a husbanding of forces are necessary considerations, Nureyev appears to drive himself harder than ever. His stamina, and the sheer ferocity of will that is manifest *in his* dancing now, are extraordinary; he flings himself into his dances with a flaring energy. The result is a quality at once coarse-grained and hypnotically dramatic, but it seems to have little to do with the character of Romeo. Almost we might be watching a *man* exorcising a personal demon—and ultimately, I suppose, that is what a star is supposed to give his public. The catharsis is shared, and the theatre rings with cheers.

That the *story of Romeo and* Juliet is involved becomes, on these terms, almost incidental, but I have to record that I find the Nureyev version over-long and inexpressive. That Nureyev is a good producer is clear: the start of the ballet with the death-cart taking away plague victims; the Sienese flag sequence; the death of Mercutio splendidly *done* by Nicholas Johnson, who revels in the best-argued role in the ballet), are all fine. But the symbolism that clutters the third act; the absence of lyric effusion for the lovers; the incessant *showing-off* that Nureyev-as-choreographer provides for Nureyev-as-dancer — these are hard to take.

I must salute the appearance of Elisabetta Terebust as Juliet, for she brings an eager youthfulness to the role that is authentically Shakespearean, and at the darkest *moments* of the drama she achieves a ringing sincerity of manner. The score, I thought, sounded less than compelling: Festival Ballet's artists gave of their very best.

**Eden Court, Inverness**

# Hansel and Gretel

*The two-year-old Eden Court* Theatre in Inverness, built in the grounds of the former Bishop's Palace overlooking the river Ness, and linking the Victorian Gothic Palace of pink stone to the cluster of glass and steel hexagons that forms the modern theatre, is one of Scottish Opera's newest and most popular touring dates. Stage and auditorium—it seats 820—are intimate enough for a chamber work such as *The Turn of the Screw,* while the pit can accommodate the large orchestra required for *Hansel and Gretel.* A new production of Humperdinck's opera by Peter Ebert, his first since becoming the company's general administrator, opened SO's one week season at Inverness on Tuesday afternoon.

*Mr. Ebert* takes a matter-of-fact view of *Hansel and Gretel,* as unsentimental an approach as the piece allows. The children are *normal,* exasperating kids, ripe for mischief when bored, genuinely scared by the terrors of the darkening forest one minute, dancing with delight at the discovery of the gingerbread house the next. Peter and Gertrude are equally natural, helped by Tom Hammond's English translation which plays down the whimsical side of Adelheid Wette's text. The angels, seen through the children's eyes as perfectly ordinary people with gold wings, are a major success—one urchin thoughtfully leaves a toffee apple for Hansel to find when he wakes up.

*The Witch, cast as a tenor,* is more problematical. I found her neither funny nor frightening enough, but the children in the audience did not share my *reservations* and screamed with delight when she got baked in her own oven, igniting with a most satisfying explosion. Sue *Blane's sets and Maria Björnson's* costumes combine the imaginative world of Grimm's Fairy Tales with the realism of every day in exact proportions. The forest trees, with twining, arm-like branches, are *especially* atmospheric, while the fantastic creatures who haunt the wood *seem* very much at home there.

Mindful of the Wagnerian *dimensions of* Humperdinck's score, Scottish Opera casts the piece from strength. Della Jones as Hansel and Laureen Livingstone as Gretel have voices that ride the orchestra without strain, *and they are both credible* as boisterous children. At the evening performance, of which I saw the first act, Hansel was taken by Cynthia Buchan and Gretel by Marie Slorach; they too *combine strong singing with con*vincingly juvenile appearance and behaviour. Judith Pierce makes a warm-hearted Gertrude, whose anger at the broken milk jug quickly subsides. Malcolm *Donnelly, swaggeringly jovial* as the drunken Peter, relates his story of the Witch with chilling effectiveness.

Francis Egerton as the Witch does not yet extract all the dramatic substance to be found in the role, though he sings it with the proper seriousness. Linda Ormiston is an excellent Sandman, and Una Buchanan sings neatly as the Dew Fairy. The Angels and Gingerbread children produce the accustomed lump in the throat and pricking behind the eyes. Alexander Gibson, conducting the Scottish *Philharmonia,* balances *stage* and pit skilfully and gives glowing accounts of the overture and, especially, the Dream Pantomime. The afternoon performance was the 1300th given by Scottish Opera since its establishment in 1962.

ELIZABETH FORBES

**Wigmore Hall**

# Sorabji

by MAX LOPPERT

Yonty Solomon's espousal of the piano music of Kaikhosru Sorabji continues. On Tuesday, *as the second half* of a *recital* which had begun with Bach (the Goldberg Variations), he introduced to an attentive audience (*these Sorabji concerts seem to* have attracted a following) the *Concerto per suonare da me solo.*

Since the composer has so enthusiastically given his sanction to Mr. Solomon's performances of his music, the title of the Concerto is now, in a sense, invalidated. *In* another, more important sense, of course, it remains meaningful—indeed, it is helpful in a manner not always given to musical titles. For the work proclaims itself, in its every bar, not only "to be played by me" but also, as it were, "written for my own exclusive delectation."

Encountering this extra*ordinary 40-minute pianistic out*pouring—supposedly a concerto-without-orchestra in three distinct movements, though the internal demarcation lines are not immediately obvious—is like *overhearing* the delirious midnight improvisation of a brilliantly eccentric pianist-composer who had breakfasted on Liszt, lunched on Rakhmaninov, supped on Skryabin, and rounded off his *feastings with a nightcap of Islamey* and *Scarbo.* The notes come in a torrent, fantasticated into exotically ornamented streams, punctuated by outbursts of martial pianistic gesture, occasionally and only briefly interrupted by a pause for air.

The torrent flows so fast and so insistently that the effect is soon, paradoxically, static. The ear soon loses all grip on the passage of *musical* events, on rhythmic movement, on harmonic progression, and surrenders itself to a whirl of sound the meaning and the purpose of which it little perceives. The experience is *extraordinary.* Elating—there is obvious and exhilarating mastery, of an unexampled kind, in Sorabji's command and fusion of virtuoso piano sonorities. Buoyant—it is hard for the senses not to be dazzled and invigorated by such coruscations. And, finally, weightless and negative, with nothing of musical substance to linger in the mind after the music has ceased, except for a chain of ill-comprehended physical sensations.

**Record Review**

# The neo-classical style

by DAVID MURRAY

**Bartok:** Sonata for 2 pianos and percussion. **Stravinsky:** Concerto for 2 solo pianos. Sonata for 2 pianos. Aloys and Alfons Kontarsky and percussionists. DG 2530 964 (£4.35).

**Bartok:** Concerto for 2 pianos and orchestra. **Poulenc:** 2-piano Concerto. V. Lejsek and V. Lejsek and V. Lejskova. Brno State Philharmonic/Milos Konvalinka. Supraphon 11020 74 (£2.99).

**Bartok:** Piano Concertos nos. 2 and 3. Geza Anda, Berlin Radio Symphony/Fricsay. DG Privilege 2535 262 (£2.59).

**Bartok:** Violin Concerto no. 2 Kyung-Wha Chung, London Philharmonic/Solti. Decca SXL 6802 (£3.99).

**Schoenberg:** Wind Quintet op. 26. Vienna Wind Soloists. DG 2530 825 (£4.35).

**Brian Ferneyhough:** Sonatas for String Quartet. Berne Quartet. RCA Red Seal RL 25141 (£3.99).

The "neo-classical" fashion in music of our century has been under-described. Few composers whose careers extended between the wars remained aloof from it, and the characteristic gestures are familiar: closed forms (especially antique dance-forms), double-dotted rhythms, *formal ornaments, linear counter*point, lip-service (generally ironic) to the old tonal conventions. But that is a catalogue of symptoms: was there a common core? The proselytes of *serialism used to maintain* that neo-classical composing was an admission of impotence, a mere retreat for want of constructive ideas: others saw in it a healthy reaction against the "excesses" of romantic self-expression, a renewed respect for music as a disciplined craft. Yet Schoenberg's own first essays in 12-note music were cast in neo-classical forms—and the toughness of the old tonal disciplines was, of course, utterly compromised by a style which licensed any amount of self-conscious wrong-

Stravinsky's famous dictum, that *music expresses nothing* (except itself), may not explain the neo-classical impulses, but it helps one to understand it. If the medium is not exactly the message, the way in which the *composer exploits it is meant* to supply its own interest and point. On a severe reading, the ideal performance would then be an ultra-lucid rendition of the score, without further emotional suggestions or expressive nuances: what feelings that may cause in the audience is an extraneous matter. The new record by the Kontarsky twins of Stravinsky's Concerto for two solo pianos and Bartok's Sonata, for the same plus percussion, offers just such performances: massively clear, superbly honed, inhumanly dispassionate.

They are extraordinarily impressive and daunting. They succeed, because these are works so richly complex that there is much for a brilliant clinical exposure to reveal. The Kontarskys add virtually nothing to what the printed scores demand, but they are acutely aware of how much that amounts to, and technically able to make it all excitingly plain. Perhaps only highly articulated masterpieces can survive this X-ray treatment: Stravinsky's smaller, milder two-piano Sonata sounds merely dogged here.

One suspects that the Kontarskys would have no time at all for Poulenc's two-piano concerto (with orchestra), wit and sentiment ladled generously into a vaguely Mozartean mould. The husband-and-wife team on Supraphon, Lejsek and Lejskova, bring the proper affection to it, and the result is duly affecting as well as engaging. They haven't quite the authoritative finesse of the composer himself and Jacques Février in the old HMV recording, but their coupling is a special attraction: Bartok's *arrangement of his Sonata as a* Concerto with normal orchestral accompaniment. The substance of the work remains firmly with the pianos, the orchestra providing discreet background colour *and reinforcement at climaxes.* Less steely than the Kontarskys, the Hungarian players are as idiomatic in the Bartok as they are in the very different Poulenc, and some listeners will feel more comfortable with this coloured version than with the stern black-and-white original.

Brian Ferneyhough

Bartok intended the Sonata, and the "Concerto," for himself and his wife to play. Of his solo piano concertos, the Second was written for himself and the Third (when he was a dying man) for his wife: despite the athletic neo-classical manner of the one and the autumnal mellowness of the other, their solo parts are assigned almost Romantically individual voices, developing the musical material in personal veins. Geza Anda's 1960 performances of them, with Ferenc Fricsay, are welcome back on the Privilege label: candidly personal readings, lithe and elegant. The new recording of the Violin Concerto by Kyung-Wha Chung, with Solti and the LPO, is quite different. Stupendously faithful, magnificently executed and marvellous to hear, Miss Chung's account suppresses any personal note, like a narration in which the narrator is not involved. She rarely suggests a private second thought or introduces a new perspective: curiously self-effacing brilliance. The whole, with Solti's feral energy, is memorable nonetheless.

Rather similar things could be said of the Vienna Wind Soloists' *version of Schoenberg's challeng*ing—and formally backward-looking—Wind Quintet. It is uncommonly attractive, shapely and transparent; any *risk of* suggesting stress or friction in the music is expertly evaded. This is neo-classical detachment with a vengeance, though it will surely succeed in making new friends for the work: the lines intertwine smoothly, and the level of controlled dissonance is made to seem the most natural thing in the world.

It is not too fanciful to detect the neo-classical impulse at work still, wherever the banner of a purely self-contained musical craft is raised. The 35-year-old Brian Ferneyhough has come belatedly to notice in his native Britain, and large claims are made for his highly-wrought music: Harry Halbreich calls his Sonatas for String Quartet, five years older than the staggeringly complex *Transit* performed here recently, "a worthy succesor to the late quartets of Beethoven." *Its 24 continuous sections (hence* "sonatas," in the old sense) occupy a whole record, magisterially played by the Berne Quartet, but Ferneyhough does not aim at post-Romantic monu*metality There is no overriding* dramatic curve; instead, quite simple musical elements are intricately, discursively developed—sometimes successively, sometimes at once. Unlike *Transit, everything here seems to* be open to the attentive ear. The variety of treatment is remarkably assured, and the level of strictly musical invention is consistently high. The question "But why *so much of it?*" is made to seem a bit Philistine—the implicit retort is that such intensely thoughtful exploration of the quartet-medium needs no further excuse. That may be: in any case, *the music declares a* craftsman of notable powers, one who is fiercely determined to construct his visions solely from the notes.

# ENO's new season

*English National Opera* will mark ten years at the London Coliseum in August with a new production of *The Seven Deadly Sins,* the last Brecht/Weill collaboration.

The opera-ballet has been produced by Michael Geliot and the cast includes singer Julie Covington and dancer Siobhan Davies making their ENO debuts. *Seven Deadly Sins* is seen in a double-bill with Colin Graham's *Gianni Schicchi,* new last season.

*The Magic Flute* opens the 1978/79 season on July 28 with Eilene Hannan making her ENO debut *as Pamina.*

*La Bohème* is revived on July 29 with Lorna Haywood as Mimi and David Rendall as Rudolph.

Eiddwen Harrhy will sing Micaela in the revival of *Carmen* on August 4 with Ann Howard in the title role and Robert Ferguson as Don José. Rita Hunter will sing Santuzza and Lorna Haywood Nedda when *Cavalleria Rusticana* and *Pagliacci* are revived on August 31.

Iain Hamilton's *The Royal Hunt of the Sun* (produced by Colin Graham) received much *critical acclaim at its Premiere* in February 1977, and is revived with the same cast on September 27. The conductor will again be David Lloyd-Jones.

*Business Book* reviews are on Pages 32 and 33

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# Compromises on trade

NEGOTIATIONS over the next few weeks should determine, in outline though not in detail, the outcome of the so-called Tokyo round of trade negotiations. The EEC Council of Ministers has just finalised its negotiating position and the hope is that broad agreement among the main trading nations can be reached by the middle of next month, just before the Bonn Summit. The package which eventually emerges is bound to be a compromise between the principles of free trade which all the participants theoretically support and the real political pressures to which they are subject. No dramatic breakthroughs can be looked for, but if the Tokyo round preserves the framework of free trade, corrects a number of deficiencies in the present rules and keeps protectionist forces at bay, that will be a notable achievement.

### *Subsidies*

One of the issues which could still cause trouble concerns subsidies and countervailing duties. The Americans are rightly concerned about the extent to which EEC countries are subsidising individual industries and want the right to impose countervailing duties on exports from those industries. The EEC insists that duties must not be imposed unless there is proof of material injury. The U.S., in turn, is only prepared to accept this if the EEC produces a list of the subsidies that are being paid: the Americans are determined to obtain a fuller disclosure of the numerous ways in which European governments, through subsidies, are distorting world trade.

Some compromise between the two positions should not be impossible: the Americans have been forced to accept that the abolition of industrial subsidies in Europe is politically out of the question. But the fact that this issue has become one of the sticking points should have driven home to European governments the close connection between domestic employment-preserving measures and access to export markets. It is doubtful whether these measures are effective even in the domestic context: the external damage which they cause provides another strong argument against them.

A second issue is the right to take selective action against an individual country whose exports threaten to cause serious injury to a domestic industry. The Japanese are naturally concerned that they will be the main target of such moves and have sought to ensure that if selective action is taken it is strictly policed by GATT. Some EEC countries, particularly Germany, have argued that the exporting country should be consulted in advance—a point that has apparently been dropped from the EEC's final position.

It is probably true that the existing safeguard clause, Article 19 of GATT, does need to be amended to enable countries to deal with sudden, disruptive surges of imports from a particular source. The conditions under which such action can be taken need to be carefully defined, but it is preferable that selective protection should take place under agreed rules rather than unilaterally. It would be desirable, too, if agreement on a new safeguard clause could lessen the need for orderly marketing arrangements and other bilateral measures which come under the heading of "organised free trade." However, the Americans have made it clear they will continue to use such devices if circumstances make it necessary to do so.

The conflict between the goals of the Tokyo round and domestic politics is most obvious in the case of agricultural products. The EEC is not about to dismantle the Common Agricultural Policy. Both the Japanese and the Americans have farming lobbies which are too powerful to be ignored. The U.S. wants improved access for its farm exports to the EEC, as do Australia and New Zealand. At this stage the European offer on farm products seems inadequate.

### *Tariffs*

On industrial tariffs, there is pressure on Japan to improve its offer and, on the European and American sides in particular, there is a long list of possible exceptions. But the level of tariffs is not the main battleground. Non-tariff barriers are being used increasingly, and especially in Europe, as a means of evading the social and industrial adjustments which ought to take place in response to international competition. The aim of the present negotiations must be to halt this slide into concealed protectionism.

# Compassion and realism

RECENT events in steel and shipbuilding, to cite just two examples, have amply demonstrated the futility of spending money in the hope of putting off disagreeable changes and thereby saving jobs. The attempts are not only abortive: they invariably delay the recovery of prosperity both by the firm or industry concerned and by the areas in which the closed plants are located. Fortunately, this lesson now seems to be sinking in. When the Prime Minister was questioned in the Commons last month about the Port of London's proposals to close the remaining upstream docks in East London, he told MPs that commercial criteria must be the test. There will be no long-term future for this country, Mr. Callaghan said, if we continue permanently to subsidise facilities for which there is no use.

### *Balanced*

This was a commendably forthright lead considering the strong political pressures the PLA's proposals have aroused. London's dockland is the classic example of the decaying inner city upon the revival of which the Government has been placing so much store. And if the PLA's desire to re-base itself upon its new port facilities at Tilbury is to be properly implemented, the inflexibility of the dock labour scheme will have to be breached so as to enable the Authority to deploy a balanced labour force.

As the Prime Minister has doubtless realised, the issues can no longer be ducked. London's share of the nation's trade has been declining for years. The swing to containerisation has reduced the traffic the upstream docks can serve. Inter-union squabbling, resistance to modern working practices, insistence upon overmanning, and the statutory retention of dockers who are unfit or for whom there is no conceivable requirement has made it impossible for the PLA to offer its customers the service and the price they expect and can obtain elsewhere. The attempt two years ago to keep some upstream docks open in response to offers of greater efficiency has led to no lasting improvement. The losses the upstream docks are incurring—£7m this year and more to come—are denying the rest of the port funds for new investment. Without a large injection of public funds, the Authority will soon be unable to pay its weekly expenses.

Given £50m. to cover losses and provide for new investment, the Authority reckons that it would have a reasonable chance of becoming viable again by the early 1980s. But this would mean not only closing all upstream docks this year but also halving the present labour force and freedom to recruit and train younger and fitter men at Tilbury. Talks have been going on with the unions about a modified plan involving the retention of certain docks in return for changes in working practices and a phased reduction in the labour force. There would be obvious attractions for both the Authority and Ministers in an agreed solution which avoided confrontation. But the auguries are not encouraging. Offers to improve working practices have been made before. And the unions are insisting on their being no closures at all.

In any case, the operation of the dock labour scheme will need to be changed if the PLA is to be freed of the burden of paying men for whom, because of their age or health, there is no work. Either the Government takes over the burden or it offers to buy them out. The present voluntary redundancy arrangements have proved insufficient. The social and political difficulties are not to be under-rated, and the price of combining compassion with commercial realism will be high. But, having perceived that the only lasting solution for the port of London is a commercial one, Ministers must not let their resolution flag.

# Peru's struggle with the world monetary Fund

**By HUGH O'SHAUGHNESSY in Lima**

NEXT MONTH the military Government of Peru, battling with the most severe foreign exchange crisis in the country's history, will start another round of negotiations with the International Monetary Fund for a stand-by credit of several hundred million dollars. With a number of developing countries in a similar critical position the outcome of these talks and, more significantly, the political effects in Peru of any IMF austerity plan accepted by the Government, will be of more than local interest. They will form an important case study of relations between the Fund and the developing world.

Peru's unhappy position can be summed up briefly. The trade balance which in 1973 was in surplus to the extent of \$79m., by 1975 was showing a deficit of \$1.1bn and, despite the most severe import restrictions, will this year, it is officially estimated, will be in the black by no more than \$36m.

Borrowings have mounted so that the total long term foreign debt comes to \$6.1bn, \$4.8bn of this being attributable to the public sector. The total foreign debt, short-term and long-term, public and private is \$8.3bn. The servicing of this debt is expected to consume more than half the country's export revenue this year and more than two-thirds next year if relief is not granted.

The net foreign position of the central bank (reserves less short term liabilities of the Central Reserve Bank) has fallen from \$700m at the end of 1974 to a liability close to \$1.3bn today. The inflation rate in the first five months of 1978 was 34 per cent.

The Peruvians have got themselves into this nightmarish situation by a combination of bad luck and bad management. In a brutally frank exposé of the situation a fortnight ago Sr. Javier Silva Ruete, the Minister of Economy and Finance, set out eight basic reasons for the crisis which included the maintenance of an excessively overvalued currency, the sol, for much too long, the establishment of industries which were too dependent on imported goods, unproductive public sector investment, sharply declining terms of trade as the prices of Peru's oil imports went up and those of Peru's commodity exports fell, excessive arms purchases and the bunching of foreign debt commitments.

"Some of our decisions were abysmal," one senior official remarked to me here, "for instance, when coffee prices rocketed a few years ago after the Brazilian frosts there we were uprooting coffee bushes and planting something else."

In a move to fight off the impending crisis the Peruvian military Government came to an agreement in 1976 with a group of private foreign banks which involved a stabilisation scheme with a 44 per cent devaluation of the sol, better treatment for foreign investors and the selling of some state industries to private investors. The banks, led by Citibank, were to monitor the Government's performance and provide \$200m for five years at 2½ per cent over London inter-bank offered rate. European and Japanese banks were to lend a similar amount.

When last year the Government had to seek further help the banks decided that their monitoring of the economy was too controversial and difficult to accomplish and said they would not lend without the participation of the Fund. At the end of last year after agonised negotiations Peru signed an agreement with the Fund under which the budget deficit was to be cut by two-thirds and inflation was intended to be reduced by half in return for \$100m of Fund money to be disbursed at two-month intervals over two years.

**PERU'S EXTERNAL PAYMENTS**

U.S.\$m

| | 1976* | 1977† | 1978† |
|---|---|---|---|
| Merchandise trade | −741 | −438 | + 36 |
| Invisibles | −509 | −545 | −528 |
| Current account | −1,192 | −926 | −435 |
| Long-term capital | +675 | +674 | +256 |
| Basic balance | −517 | −252 | −179 |
| Short-term capital‡ | −351 | − 98 | n.a. |
| Overall balance | −868 | −350 | n.a. |

* Preliminary
† estimate
‡ including errors and omissions

Source: Central Reserve Bank of Peru

The Fund has since alleged that the Government has not kept its side of the bargain and has halted its disbursements. This has put the private banks in a state of uncertainty and last month as a result Peru literally ran out of foreign exchange. This rock-bottom position was relieved for a few weeks only after the Central Reserve Bank raised \$88m over the telephone from Argentina, Brazil, Spain, Mexico, Venezuela, and the Dominican Republic.

The Government has reached an interim agreement to get a further \$185m from foreign banks to bail out the public sector until the end of the year, but a longer term solution still has to be worked out. Sr. Silva Ruete has said that last November's "impossible and absurd" agreement with the Fund will have to be scrapped and a new deal worked out in the next few weeks.

Battle between Peru and the Fund will be joined on three principal topics. The Fund wants to see the sol move from its present parity of nearly 155 to the dollar to 200 straight away, while the Government sees the 200 figure as an extreme target it would not want to reach until the end of the year. The Fund appears to want the budget deficit cut from the present 55bn soles to around 28bn while officials say it would be impossible to trim it more than 5bn soles without major political and administrative chaos.

The Fund will doubtless also seek a cut of loans to the private sector. That would be sure to provoke a big wave of bankruptcies which will further swell Peru's queues of unemployed.

The feeling among many officials here is one of anger and apprehension about the forthcoming confrontation with the Fund. Saying that the IMF officials in Washington show little understanding of the particular circumstances of developing countries with balance of payments problems, one senior government figure commented, "if you're in foreign exchange difficulties the Fund wants you to depress demand till there's a surplus in the economy, then simply export that surplus. They don't admit that depressing demand in an economy as poor as ours creates starvation conditions and that anyway there are often no established channels for surpluses to be exported."

Another official added, "the Fund has one basic remedy for its patients, a dose of purgative, irrespective of whether the patient is suffering something comparable to heart disease, liver infection or any other illness."

The two principal questions facing the Peruvian negotiators and the Fund are, how far will the Peruvian public be willing to swallow what is sure to be highly unpalatable medicine when they are still suffering from the austerity measures introduced months ago, and to what extent will the military have to scrap its plans for a return to civilian rule and use violence to force the medicine down?

The devaluation already decreed coupled with the cuts in subsidies on staple foods introduced as a way of reducing the budget deficit have over the past year brought about great unrest, rioting and death. The drop in the living standards of almost all classes of Peruvians has already been dramatic. The wage index which in 1973 stood at 114.1 last year fell to 74.1 while the salary index fell from 106.4 to 83.8.

Many Peruvian officials believe that another round of severe deflation would put paid to any hopes that the military Government had of turning the country back to civilian democratic rule. "After the 1973 coup in Chile General Pinochet cut the gross national product by 16 per cent and had to spill a great deal of blood to do so. He still didn't satisfy the Fund. So what chance have we got of getting another austerity programme to stick without the use of the methods he used?", a Central Reserve Bank official commented.

At the moment the military Government is engaged in the extremely delicate political exercise of returning the running of the country to civilian hands. Peru has been ruled by the military since 1968 when a radical officer, General Juan Velasco Alvarado, seized power and started a programme of root and branch reform of a society which in many aspects had changed little since the time when it formed part of the Spanish Empire.

A great deal of modernisation was accomplished by General Velasco, particularly in the realm of agrarian reform. Helped by the stimulus given to the economy by his ambitious development plans the growth averaged 5.5 per cent in the period from 1969 to 1973 and industry grew even faster. Wages and salaries went up by an average of 6.6 per cent a year and unemployment fell. The reserves went up from \$131m in 1968 to \$411m in 1973. Big plans to exploit copper and oil persuaded foreign banks to lend liberally to Peru and the external debt almost tripled between 1968 to 1974.

In the latter year the world recession hit Peru, a fact which coincided with the exhaustion and ill health of General Velasco. In August 1975 he was replaced by a more conservative and cautious figure, General Francisco Morales Bermudez who soon made it clear that he felt that the difficulties of governing a country in recession were too much for the army and that the military should make arrangements to step aside in favour of civilian politicians. Last year he announced a two stage plan which would allow the soldiers to go back to their barracks by 1980, the election of a constituent assembly in 1978, and a civilian government by 1980.

The result of the elections on June 18 for a constituent assembly charged with the task of preparing a new constitution and general elections in 1980 indicate that resistance is stiffening to any new austerity measures. The Left got a third of the vote, 50 per cent more than many observers had forecast and within the Left the more radical parties did better than the more moderate and flexible Moscow-line Peruvian Communist Party. "It was a vote of desperation," one political journalist commented.

Among some businessmen in Lima there is a belief that the civilian politicians in the Constituent Assembly will be unable to accept any new agreement reached with the IMF however skilful the Peruvian negotiators may be in reducing the severity of the Fund's demands. "In the end I think either the Fund will have to go or the Constituent Assembly, and the return to democracy will have to be cancelled. I don't think the Fund will go. In any case the Peruvian economy would be in poor straits indeed without the Fund's aid," a Lima banker predicted.

Officials warn that if the Fund presses them too hard to take what they consider to be disastrously deflationary action they will refuse to sign any agreement. In practice they know that a failure to sign with the Fund would obliterate any hopes the Government had of getting funds from foreign private banks. And the result of that would be an ever greater foreign exchange crisis coupled perhaps with sharply increased inflation as the sol dropped on the foreign exchange markets and the price of imports increased.

As the date of the negotiations approaches the Government is doing what it can to win the support of its friends among the richer member nations of the Fund. Capitalising on the fact that the military Government is taking concrete steps to put the government back into civilian hands and thus harmonise with President Carter's policy of liberalism in Latin America, the Peruvians are making a strong pitch at the White House, the State Department and the U.S. Treasury. They have not been totally disappointed and Mr. Michael Blumenthal is reported to have taken time off to study the Peruvian case and promises a sympathetic U.S. attitude.

President Morales Bermudez is principally counting on the fact that if too severe a deflationary package were forced on Peru and if this package in its turn led to an aborting of the return to civilian government after 10 years of military rule it would be a major defeat for President Carter's policy of liberalisation in Latin America.

In an interview, Sr. Silva Ruete said: "We have had very positive indications of support from the Carter Administration and from Western Europe." But he added, "We still need help and we need it fast."

Glyn Genin

Mr. Michael Blumenthal (left), U.S. Secretary of the Treasury, is studying the financial problems of Peru as President Morales Bermudez (right) tries to steer the country back to civilian rule.

# MEN AND MATTERS

## On parade after Prentice

After the fracas over Reg Prentice, who finally deserted them to join the Conservatives, the Labour Party members at Newham North East have been poring over the entrails as they try to pick their winner for next time round. The seat has long been a Labour stronghold, with the Labour left firmly in control of the constituency party. Some time ago Andy Bevan, the radical Labour Youth Officer moved into the area and was deeply involved in the dispute over Prentice. Yet it seems that his close ally, Nick Bradley, representative of the Young Socialists on Labour's National Executive Council, is unlikely to win nomination. He is one of the candidates on the short-list which is to be discussed by the local party on July 5.

An ardent advocate of "Clause Four" policies for extending public ownership, Bradley is reportedly considered to be associated with one group, rather than having the wider support assured to another on the short list, Jimmy Dickens.

Dickens held Lewisham West for Labour between 1966 and 1970 and is now Assistant Director of the Manpower Services Division of the National Water Council. In Parliament ten years ago he was a prominent member of the Tribune Group, but in Transport House he is considered the favourite for nomination—not that that is necessarily a credential, given the local Labour activists' groundswell against the present Government.

## Linking canals

I suppose if you are steaming through the Suez Canal in a convoy the billboards along its sides must add a bit of colour—all four of them on the West bank and only one, bravely, on the East. But with a total of only five boards along its 90-mile length, you could hardly say it was a site in demand. Still Mahmoud Rasheed, who has the concession, tells me that "Peace is coming and then the panels will flow." And, perhaps more realistically, that the agreement he hopes to reach with the Panama Canal authorities will boost business.

It would be the first such link between the two canals but Rasheed, who is visiting London, assures me the Panamanian ambassador in Cairo is enthusiastic. So, he trusts, they will soon be having their 90 and 120 square metre boards rising in Central America—perhaps a little more permanently than those in Suez. Rasheed told me plaintively that during the last fighting his billboards, all 29 of them, disappeared. He could not think what had happened to them.

## Paying out

Those who cast around for reasons why Britain's industrial might has declined sometimes blame the drop in the status of engineers since the era of Brunel and his contemporaries. But if money is any criterion, the latter-day Brunels are doing quite nicely. The company in Britain paying the highest average wage to its employees is John Howard, the civil engineers: the figure is £7,674. This nugget comes from Jordan's "Top 1,000 Private Companies," published yesterday. Moreover, five of the ten top private companies paying more than a £5,000-a-year average, are in civil engineering. Among public companies, the top payer (average £6,754) is also in engineering—Wilson, Walton, which specialises in marine and offshore work.

When I talked to several civil engineering firms yesterday and asked why they were so munificent—by British standards, of course—they seemed wary, even alarmed. Several seemed frightened that by admitting they paid well would seem indecently rash and unpatriotic. One of the new pace-makers among private companies, Tileman of Richmond, assured me that the big money went to "men who get dirty out in the field," and that a rush job on the Ninian Field in the North Sea had bumped up the figures. But Humphreys and Glasgow, third in the table with a £5,370 average, assured me that in the process plant engineering business "highly specialised graduates earn big money."

## Price war

The continuing fracas between Sir Frank Price, chairman of the Waterways Board, and the Government, may have a bearing upon decisions about the English Tourist Board. The chairman of the ETB is Sir Mark Henig, aged 71, and he is now in his final year of office. A likely successor, who is already on the Board, would seem to be Price, aged 56. I understand, however, that Ministers at the Department of the Environment are so vexed with his public utterances that he has put himself out of the running.

Asked if it were true that he has been warned that he is now *persona non grata* for future official appointments, he replied: "I would like to make no comment. Good afternoon."

## Not so blue

There will be little to joke about in Granada's forthcoming TV series on the "nuts and bolts" of the British economy. But I learn that Hugh Scanlon provides one in this Sunday's pre-recorded discussions on productivity. He tells how when he talks to sixth-formers he always hears, in the question times, that Scandinavia is "a worker's paradise." His stock riposte, until recently, was: "Have you ever seen a happy Swede?" Then a boy at one school said: "Yes, in a blue movie." Scanlon ruefully admits: "I've never used that line again."

## Wide view

The new city museum in Stoke-on-Trent has not been built without controversy. The cost, which has climbed from £1.5m to more than £2.2m, is now being borne by the Staffordshire County Council. The construction programme has fallen behind schedule and the formal opening will not be until the end of this year.

But in one area the museum is about to set a positive record. Over its main doorway a mural is now being put into place, depicting the history of Stoke. It has been designed by sculptor-potter Frank Maurier for G. H. Downing Ltd., the makers of facing and engineering bricks. The mural is 33 metres long and four metres high: it has more than 6,000 pieces. The only bigger thing of its kind in existence was made in 600 BC and is now in the Berlin Museum.

## Limiting liability

From Brighton comes the story of a young couple who hunted down the local vicar on Saturday morning and told him they wanted to get married. "When?" he asked, to be told "Now."

"I'm sorry," the vicar replied, "but it just cannot be arranged at such short notice." "Oh, dear," said the young woman, continuing "Could you possibly give us a cover note just to tide us over the weekend."

**Observer**

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ECONOMIC VIEWPOINT

# A lethal cure for a dubious disease

WHOEVER invented the word "deindustrialisation" deserves a medal for the least arresting slogan of the decade. "There now follows a programme on deindustrialisation" would be an even better inducement to switch channels, or let the cat out, than the announcement of a party political broadcast.

Yet the word refers to a real, if vaguely defined, controversy. Believers in deindustrialisation come from all parts of the political spectrum and espouse different remedies. The unifying feature is that they take very seriously the drop in UK manufacturing employment from 8.7m to 7.4m in the decade up to 1976, which David Freud discussed in detail on this page yesterday.

The ordinary supply-and-demand economist *would say* that this was due to some combination of a general increase in unemployment and of a shift in the *composition of demand*, or of UK comparative advantage from goods to services. The upholder of deindustrialisation *maintains that it is a sign of* a much deeper malaise, which, unless checked, will make this country an island of depression and mass unemployment.

The National Institute of Economic and Social Research (NIESR) held a useful and partially representative conference this week on the issue—the proceedings will be published later this year.

There are roughly two schools of deindustrialisers. One group sees the trouble *arising from the* expansion of public spending and public sector employment. The other sees the trouble in excessive import penetration and sees the remedy in import controls.

The first thing that emerges *from the data is that deindustrialisation*, in the original sense of a falling proportion of employment in manufacturing *industry, is either not a disease* at all, or one from which many other countries suffer as well. The U.S., Sweden, the Netherlands, *and Belgium all had falls* in the ratio of industrial to total employment in 1965 to 1975 of comparable size to Britain's. *Germany and France* just about maintained the same manufacturing ratio, while Japan and Italy were exceptional in *increasing* theirs. These *facts* emerged from what was probably the best of the conference papers—a summary of evidence by C. J. F. Brown and T. D. Sheriff of the NIESR.

The diversion of labour to the UK public sector is only *superficially a good explanation* of UK trends. Between 1966 and 1976 public service employment rose by 1.4m. This was *twice as big as the drop in* total employment and nearly three quarters as great as the fall in employment in the "*index of production*" sector. But as the Registrar General, Mr. Roger Thatcher, showed in his paper, well over 1m of the increase in public service employment consisted of women—most of them part-time—and it is a little implausible to maintain that they were diverted from manufacturing industry.

Sir Alec Cairncross asked *pointedly whether the U.S. was* not also suffering for deindustrialisation. Not only have there been similar manpower changes *in the two countries, but the* U.S. share in world trade in manufactures has fallen faster than Britain's and the trend of import penetration has been at least as severe. Lord Kaldor freely admitted this, but added that because the world was on a dollar standard the U.S. could still offset the adverse employment effects by *budget deficits*, and that the U.S., being out of the EEC, could impose import controls at any time.

The movement of profits suggests that the UK switch from manufacturing to private services was—so far from being an aberration—a reaction to normal incentives. The Brown-Sheriff paper has a table of gross profits as a proportion of net output, after stock appreciation and capital consumption. For manufacturing, the profit margin calculated this way fell from 19.3 per cent in 1966 to 3.4 per cent in 1976. In services it fell only from 29.8 per cent to 27.2 per cent.

In the end, deindustrialisation *turns out to be another name* for the old current balance-of-payments worry. The balance has improved in services and *has deteriorated in manufacturing*. But, the argument runs, manufacturing exports are still twice as important as service ones; *it will, it is said, be only* possible to balance overseas trade at a reasonable level of employment if there is a large improvement in manufacturing performance.

In fact the fall in the British share of world manufacturing exports came to an end in 1973, as did the fall in the UK share of OECD manufacturing output. *But the "deindustrialisers"* regard this recent stability as exceptional and argue that the uncompetitiveness of manufac*turing will lead* to ever-increasing UK unemployment.

The Brown-Sheriff paper shows that, after allowing for exchange rate depreciation, the cost and price competitiveness of British goods did not deteriorate and probably improved over the 1960s and the 1970s. The trouble is therefore attributed to non-price factors. There is some uncertainty about whether the British appetite for imports—the income elasticity of demand—is abnormally high. But what does seem statistically clear is that the income elasticity of world demand for British exports is abnormally low. As the authors say, "Not only do foreigners not want our goods, neither do we."

But even this, as they emphasise, can be open to misinterpretation. Many conference participants *stressed* that supply side bottlenecks make it difficult for British industry to respond effectively to any rise in world incomes, even when foreigners would otherwise want our goods.

**CHANGES IN UK EMPLOYMENT, 1966-1976**
('000)

| | Males | Females | Total |
|---|---|---|---|
| Index of production industires | −1,438 | − 536 | −1,975 |
| Private sector outside production industries | − 384* | + 215* | − 168 |
| Public sector outside production industries | + 366* | +1,063* | +1,429 |
| TOTAL | −1,455 | + 741 | − 714 |

* Estimated

Source: Department of Employment

The Cambridge Economic Policy Group (CEPG) contribution came from Mr. Ajit Singh. He repeated projections showing 1.8m *unemployed* in 1980 and 4.6m in 1990, even if international price competitiveness is maintained. To keep unemployment *at roughly present* levels would involve in his view a *real* depreciation of sterling, over and above that required *for competitiveness*, of 4 per cent per annum—or an eventual reduction of UK relative costs of 50 per cent in all.

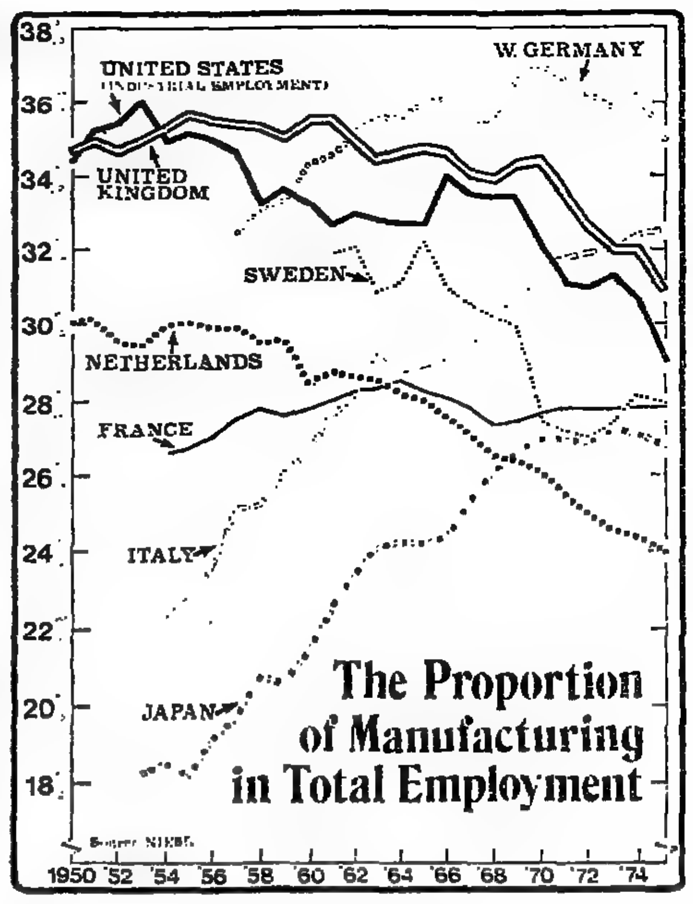
Mr. Walter Eltis queried the basis of the Cambridge pessimism. In particular he showed that the big rise in import penetration was not a continuous growth, but a series of jumps in periods of boom and supply bottlenecks, such as 1963-4, 1967-8 and 1971-3. He also suggested that the limited past response to devaluation was also due *to supply side* bottlenecks, arguing — very reasonably—that the stabilisation of UK export shares after 1973 reflected the increased margin of spare capacity. Moreover, the Cambridge estimate of required foreign exchange earnings could in his view have been based on too *optimistic* a view of the growth of UK productivity.

*Interestingly enough*, another rival group of Cambridge economists—entitled the Cambridge Growth *Project* — also *conferring this week, came* to apparently equally pessimistic conclusions on the basis of a micro *model* built up from *analysis of 40 different industries*. The alternative Cambridge view asserts that to prevent an excessive current surplus in 1985—due to North Sea oil — the basic rate of income tax could be reduced to 20 per cent, VAT abolished or Government spending increased by 30 per cent. But then even unemployment would be 2 to 2½ million.

This other Cambridge team, unlike the CEPG and in common with Eltis, considers, however, that a much smaller effective devaluation—15 per cent by 1985—would turn the scales, *hold* unemployment at its present level and allow real consumption to grow at 2 per cent per annum.

In presenting the CEPG projections Mr. Singh goes a little beyond the blanket advising of import controls. He admits that any increase in demand they made possible would soon come up against supply limits, and advocates a forced increase of £2bn per annum of manufacturing investment. Even then he does not think import controls could be lifted before 1990, and probably much later.

The interventionist strategy which most interests Singh is that *of the Japanese "Government-industrial complex."* He quotes a Japanese Minister justifying (with hindsight) the *post-war strategic decision to* invest in heavy and chemical industries, even though they seemed uneconomic on post-war *international cost comparisons*. A characteristic intervention was to forbid ethylene production in plant of less than 300,000 tons capacity. Singh *fears* that an interventionist British policy, using planning agreements and an expanded NEB "may be *resisted by the* business community." The Government may then "have to underake investment activity directly, impose stringent exchange controls and ultimately perhaps even nationalise the multinationals in this country."




In *my view* we shall not progress very far by throwing *rival projections at each other* or swapping horror stories of the future. There is a mechanism known as the market, which conveys far more information than any computer can handle, disperses it more widely and also provides incentives to act on this changing knowledge. What we need is neither worship, nor condemnation, of the market, but a study of to what extent and why its signals and incentives have become distorted, and *how they can be* improved. Import controls would simply cut off the few remaining signals and incentives in the mere hope that the UK would emerge better able to face world markets decades later. They are a lethal cure for a dubious disease.

**Samuel Brittan**

# Letters to the Editor

## Top salaries review

*From the Chairman, Association of Members of State Industry Boards*

Sir,—Members of this association—representing full-time public board members, paid salaries well below those attributed to *national chairmen*—welcome the support of Mr. John Lyons of the power engineers, but note your report (June 26) that Mr. David Basnett, chairman of the TUC, said that increases should be restricted to the 10 per cent *permissible* under Phase III guidelines. This, despite the fact that no effective salary adjustment has been given to board members since 1972 and that the Government has repeatedly undertaken to rectify the present position as soon as possible. Would Mr. Basnett be prepared to accept as adequate this year a 10 per cent increase on the 1972 salary *levels of his* own members?

It is of crucial importance to an understanding of the position that the public should be made aware of the following facts. The value of board members' salaries has been halved in real terms since 1972. Public board members alone received no increase in pay in 1975. At that time the Government authorised payment (*in whole or in part*) of the increases then recommended for all other senior public servants. Public board members have not *challenged* the pay policy itself. They have, however, resented the application to them alone of a selective pay policy which is different and much harsher than that applied to any other section of the community.

The implementation of these differing and inconsistent Government pay policies has resulted in board members receiving some thousands a year less in pay than those immediately responsible to them. Even Fred *Karno* paid his sergeants more than his corporals!

The terms of the new Boyle Report have not yet been published, but it seems inconceivable that the report will not recommend the removal of this discrimination. Certainly, the continuance of the present chaotic situation would perpetuate a most grave injustice and would undoubtedly have the most serious repercussions on the efficiency of all nationalised industries.

D. G. Dodds.
c/o Merseyside and North Wales Electricity Board,
*Bridle Road,*
*Bootle, Merseyside.*

## Taking the treatment

*From the Group Managing Director, Cable and Wireless*

Sir,—The report by Philip Bassett (June 26) on the subject of the Boyle salaries review quotes union leaders as saying *that* their members would expect similar increases if the Government implements the 70 per cent pay rises for chairmen of nationalised *industries proposed* by the Boyle review.

As the Boyle review has not as yet been published I have no means of knowing 70 per cent is indeed the figure recommended, but assuming it is, its application would be to salaries that have moved hardly at all since 1972.

Do union leaders really want *similar treatment for their* members?

P. A. McCunn.
*Mercury House, Theobalds Road, WC1.*

## Westland wages

*From Mr. C. Hand*

Sir,—May I as a small shareholder in Westland Aircraft be allowed to comment on the letter from Mr. M. Webber (June 27).

*One could ask many questions*. For instance, who opposed the piecework scheme, the piece workers or the day workers?; why was it opposed?; why was the offer of a flat rate scheme withdrawn etc.? But the sooner the past is forgotten the better for all concerned.

What matters now is the future and I would offer a suggestion to both sides. Why not agree a daywage rate (or hourly)—allowing for differentials for skill—this rate to be supplemented by a bonus, payable to all workers, for every helicopter completed. *Obviously, the bonus would vary* for different types of helicopter and as helicopters differ from, say, saucepans, there would be high weeks and low weeks as completions were made or not. This would obviously affect PAYE deductions and there would be moans in high weeks but surely this could be explained to the workers. Another complication would be spare parts but given goodwill on both sides these *difficulties could be ironed out*.

This scheme would enable the workers to maintain their weekly rates of pay through increased productivity as obviously things cannot go on as they are.

I have twice mentioned both sides but the sooner they realise we are all on the same side and sink or swim together, the better.

Clifford Hand.
*3, Newlands Close,*
*Sidmouth, Devon.*

## Cover for Leyland

*From Mr. C. Owens.*

Sir,—In my experience, the British insurance market has always been prepared to offer risks, albeit on rates and conditions which they hope will show them a profit.

I find it unfair for British Leyland's insurance manager to criticise (June 27) the U.K. insurance company market: if he checks the problems *faced* by British Leyland in 1969 in arranging fire insurance for the group, he will find that without the *major* British companies' support, British Leyland would have been unprotected. I was involved insofar as the leading insurers sent me, as an independent, to America to place as much cover as I could. After contacting some 50 insurance companies, I succeeded in obtain*ing only 4* per cent. The main reason for refusal was solvency margins in the American market at that time. Without the British companies' support, British Leyland would have been exposed to bankruptcy from fire damage, and the loss of profits arising therefrom.

*With regard to* the problem of products liability, due to the modern practice of consumer protection, insurers are being asked to forecast a situation in terms of cost and liabilities that will arise in, say, 10 to 20 years' time, a difficult crystal ball operation, without inflation, but with it, a prudent insurer can only see "a pocket with a big hole." An historical precedent could be shipowners' liability some hundred years ago, when the leading maritime nations produced legislation limiting liability to third parties, as otherwise shipowners would have found the cost of protecting themselves prohibitive. Similarly, aircraft operators have partial protection *from* the "Warsaw Pact." To further international trade, perhaps some similar legislation could be devised in respect of products liability.

A final word of warning to British Leyland's insurance manager, and others of a like mind, is that the American insurance market has a history, certainly in my 30 years' experience, of withdrawing from markets when losses start piling up, and not just withdrawing from unsatisfactory accounts in a particular class of business, but from that class completely. Has not American folklore given us the expression "Take to the hills"? The old saw "History repeats itself" is particularly true of the insurance business, and in my opinion, will prove to be so in the next two or three years.

C. E. Owens.
*19, Wilton Place, SW1.*

## Local authority accounting

*From the Comptroller of Financial Services, Greater London Council*

Sir,—Mr. R. Godin (June 26) implicitly assumes both fundamental weaknesses and apathy in local authority accounting. His heavy criticism is based upon the presumption that the district auditor's report on certain aspects of the direct construction branch comes as a surprise to Greater London Council.

This presumption is wrong. The current district auditor's report represents one aspect of a situation to which the council was alerted by internal financial reports some time ago.

It is perhaps understandable that Mr. Godin would not be aware of the context within *which the performance of direct* construction in Greater London Council needs to be assessed nor of the work which the small band of internal accountants and auditors supplemented by external accountants have undertaken both in developing and applying the Chartered Institute of Public Finance and Accountancy recommendations for accounting for direct works undertakings; and in participating in the difficult decisions relating to the management and future of direct construction.

What is inexplicable to me is that any professional accountant should make substantial criticisms without establishing the minimum basic facts. What future has Mr. Godin's (and my) "beloved profession" of accountancy if members of it are so ready to display their unfitness to form a true and fair view of each other?

M. F. Stonefrost.
Treasurer's Department,
*County Hall, SE1.*

## Decay of London

*From the Honorary Secretary, Inner London Consultative Employment Group*

Sir, — While congratulating Messrs. Brennan and Churchill on their June 15 article, it was unfortunate that more importance was not attached to the need for the national publication of unemployment figures for Inner London.

We agree that London has neither the powers nor the political influence to set itself to rights. Further, London's problems will not receive full recognition so long as the *Department* of Employment continue to bury the disastrous inner London employment figures in the *general statistics for the South-East.*

Obviously you have to clearly define a problem before you can effect a cure. *The Department's* refusal to publish separate figures can therefore only mean further delay leading to further industrial decay.

R. F. Couchman.
*Town Hall,*
*Wandsworth High Street, SW18.*

## Better pension deal

*From the Assistant General Manager, Standard Life Assurance Company*

Sir,—In his article "Paying for a better pension deal" (June 27), Joe Rogaly suggests that "In later life those who want to work past 60 or 65 must be permitted to do so with perhaps only a modest reduction in actuarially based pensions if the arithmetic can be so arranged." I have some doubts about the arithmetic but perhaps I should have more about my social attitude, as *if I were to work beyond* 65 I would hope to receive an increase in my pension!

A. U. Lyburn.
*PO Box No. 62, 3, George Street, Edinburgh.*

## Perpetuating a myth

*From Mr. W. Armstrong*

Sir,—The letter from the Director of Public Relations, Post Office, June 19, is itself "perpetuating a myth." The last increase in telephone charges was over 60 per cent at a time of supposed national price and income restraint. One might expect a few years of "stability" after that! Meantime charges are so exorbitant that profits have become high to the extent of *being grotesque*.

William Armstrong.
*17, Deepdale Avenue, Scarborough.*

## Chipboard mills

*From the Chief Executive, Economic Forestry (Holdings)*

Sir,—The forest industry must be concerned at the implications of your special correspondent's article "Imports squeeze UK mills" (June 27) where the forecast closure of chipboard mills will inevitably lead to loss of jobs in forestry.

It will surely be recognised that a healthy chipboard manufacturing industry is essential to woodland owners, both state and private, to provide the markets necessary for increasing volumes *of home grown wood in the form* of first thinnings and sawmill residues. Certainly, your correspondent suggests that the industry is far from healthy but whether the solution lies in painkillers such as import quotas or in the patient taking more exercise by way of producing the *right specification* at the right price for the market is a matter of opinion.

On November 2 last, in a letter, Mr. Sacks regretted that his company had "... consistently endeavoured over the last 25 years to use UK chipboard whenever possible ..." without success. *If the chipboard manufacturers believe that their* function is to supply the product required by the buyer, how much *time do they need* to tool up for that product? If they can answer this, maybe Government could support them by providing the necessary breathing space.

John Campbell.
*Forestry House, Great Haseley, Oxford.*

# Today's Events

**GENERAL**

U.S. and Soviet SALT negotiators discuss reduction in nuclear stockpiles. Geneva.

*EEC Social Affairs Ministers* meet. Luxembourg.

Final day of Paris meeting, chaired by Mr. W. Wapenhams, World Bank vice-president, discusses further economic aid to Zambia.

Lloyd's expected to announce approval of take-over bid for *Leslie and Godwin by Frank B.* Hall, U.S. insurance broker.

The Queen visits Sark and Alderney.

*President Giscard d'Estaing of* France continues visit to Spain.

First Malawi general election since 1961.

Statement by Commission for Local Administration in England *and Wales on Local Ombudsmen's* report.

Special TUC conference celebrates 30th anniversary of National Health Service, Congress House, WC1.

International Whaling Commission annual meeting continues, Mount Royal Hotel, W1.

*Confederation of Shipbuilding* and Engineering Unions' conference continues, Eastbourne.

Final day of Royal Norfolk *Agricultural Show, New Costessey,* Norwich.

Court of Common Council meets, Guildhall, EC2, at 1 pm (open to public).

**PARLIAMENTARY BUSINESS**

*House of Commons:* Debate on problems of pharmacists until 7 pm, when opposed Private Business will be taken. Debate on fourth report of House of Commons (Services) Committee, Session 1977-78, on Members' secretaries and research assistance.

*House of Lords:* Home Purchase Assistance and Housing Corporation Guarantees Bill, and Scotland Bill, third readings. Consumer Safety Bill, committee.

Select Committee: Science and Technology (General Purposes sub-committee). Subject: The Eleni V. Witness: Mr. Edmund Dell, Trade Secretary (4.30 pm, Room 15).

**OFFICIAL STATISTICS**

Capital expenditure by manu*facturing, distributive and service* industries: and manufacturers' and distributors' stocks (first quarter, revised). Energy Trends publication from Department of Energy.

**COMPANY RESULTS**

Final dividends: Braby Leslie: Giltspur: Renold: Weston-Evans Group.

**COMPANY MEETINGS**

Blockley, Wellington, Salop., 12. Estates and General Invs., Winchester House, EC, 12. Folkes Hefo (John), Birmingham, 12. Hay (Norman), Excelsior Hotel, Heathrow Airport, 11. Turriff, Warwick, 3.

# COMPANY NEWS + COMMENT

## Ferranti 49% ahead and confident

FERRANTI, the electronics and computer group, has increased the momentum of its recovery which followed the rescue operation by the National Enterprise Board in 1974.

Preliminary results for the year ended March 31, 1978 showed a 83 per cent increase in profit after tax, a 49 per cent rise in pre-tax profit and a 25 per cent gain in turnover.

Mr. Derek Alun-Jones, managing director, said yesterday that all the company's six divisions had contributed to the improvement.

And he expected the satisfactory progress to be continued in the current year, when Ferranti is intending to seek a Stock Exchange listing.

The pre-tax profit of £9.12m represented 5.8 per cent of the turnover of £156.0m. Last year's profit was £6.14m pre tax, on a turnover of £125.4m.

After a proposed ordinary dividend of £464,000, the profit transferred to retained earnings will be £5.3m. Actual earnings per ordinary are 76.16p, compared with 45.42p last year.

Net current assets increased from £51.9m in 1977 to £72.33m while loans were up from £8.2m to £23.7m. The company's preliminary report says: "Loans have been increased by £15m due to short term borrowings being funded.

"Net current assets have increased by £10m, which reflects the overdraft reductions and other improvements."

The company adds: "This result consolidates the steady improvement in performance. Work in hand and the activity level at the year end give us confidence that sales will be further increased in the current year."

### Exports increase

Mr. Alun-Jones said export sales represented about 30 per cent of the company's UK turnover. As a percentage of turnover exports had somewhat increased compared with the previous year.

He was hoping for a continued improvement in export performance, particularly with the sales of military electronics, where strenuous marketing efforts had been made.

Mr. Alun-Jones said the improvement of the company's fortunes stemmed partly from the increase in profitability of the three divisions which had been in profit at the time of the NEB's take-over. At the same time, the three divisions which had been making losses, had now moved into profit.

The serious problem divisions were instrumentation, electronic components and transformers. The three divisions which were historically profitable were the Scottish and Canadian divisions and the computer operation.

The transformer division, which was the main loss-maker in the past, has now moved into the black, partly with the help of export orders, and partly because of diversification which enabled the overheads to be spread over the production of mechanical equipment in the same factory. Transformer sales account for about 5 per cent of the company's total turnover at present.

The semi-conductor operation, which has also had problems in the past, now contributes about 12 per cent of the turnover and has moved into a small profit. It is hoping to share in the support which the Government is planning to give to the UK semi-conductor industry.

In 1974, when the Government injected £15m into Ferranti, it was making a loss of £500,000. Then after re-organisation and the appointment of a new managing director, the company returned to a profit of £4m on sales of £108m in 1975-76.

See Lex

### INDEX TO COMPANY HIGHLIGHTS



## Advance to £150,000 by CGSB

From turnover ahead from £6.26m to £7.9m taxable profit of CGSB Holdings, motor engineer and distributor, advanced from £117,900 to £149,800 in the March 31, 1978, half-year.

The result is subject to tax of £80,500 (£82,500) and earnings per 10p share are shown ahead from 1.32p to 1.62p. The interim dividend is up from 0.4p to 0.44p. Last year a 1.02493p final was paid on taxable profits of £0.33m.

Directors say the outlook for the second half is encouraging and that they anticipate another good year. The September, 1977, property valuation was £1.13m.

## Hicking Pentecost up £0.18m

SECOND HALF profits of Hicking Pentecost, the textile and dyeing group, advanced from £227,578 to £384,211 taking the total up from £420,530 to a record £800,413 for the year ended March 31, 1978.

The profits of the dyeing division were adversely affected by the trading loss and terminal costs of about £41,000 at the Lenton factory which was closed in July. The capital project at the Queens Road factory, which commenced operation during the autumn, together with the improved work flow as a result of rationalisation measures has proved beneficial to the division, the directors state.

The knitwear division has shown a further substantial improvement in profits. The demand for natural fibres and the renewed interest in fully fashioned garments have enabled the group to maintain full activity at all the production units.

Exports were increased by 50 per cent and the forward order position in both the home and export markets continues to be satisfactory.

Earnings per 50p share are stated to be up from 13.84p to 19.32p. A final dividend of 4.8643p is proposed taking the total up from 6.4438p to 7.1997p, the maximum permitted, assuming a 33 per cent tax rate.

| | 1977-78 £ | 1976-77 £ |
|---|---|---|
| Turnover | [illegible] | [illegible] |
| Trading profit | 671,757 | 471,221 |
| Interest | 71,344 | 50,791 |
| Profit before tax | 800,413 | 420,530 |
| Tax | 107,305 | [illegible] |
| Net profit | [illegible] | 327,164 |
| Dividends | 183,098 | 144,412 |
| Retained | [illegible] | 182,752 |

—ED 19 has been adopted. Comparative tax figures have been re-stated and as a result £741,191 has been released from the deferred tax account to reserves.

## Hardys & Hansons up so far

ON TURNOVER of £4.79m compared with £4.30m, taxable profit of Hardys and Hansons, brewer, increased from £763,653 to £796,557 in the March 31, 1978, half year.

Directors say full-year results are expected to be at least in line with the first-half figures. Last year pre-tax profit was a record £1.61m.

The result is before tax of £0.41m (£0.39m) and is before extraordinary profits of £136,658 (£86,677).

Earnings per 25p share are shown at 7.063p (7.345p) and the interim dividend is up from 2.1p to 2.3p net. Last year a 4.9p final was paid.

The company has close status.

## BHS set for further rise in profits

SIR JACK CALLARD, chairman of British Home Stores, expressed confidence at yesterday's AGM that group results in the current year will again show an improvement.

The overall national level of spending on consumer products during the early months of 1978 had been on a rising trend and the group's performance had similarly improved, said the chairman. Sales and profits were both in excess of figures achieved last year and were very close to internal forecasts made at the beginning of the year.

Sir Jack said that provided inflation does not increase as the year proceeds, and consumer demand is maintained at present levels, the changes which he mentioned in his annual report, particularly with regard to food developments, together with the opening of the new stores, "we are confident that results for the present year will again show improvement."

Two stores, at Dundee and Barnsley, have already opened and he is very pleased with the initial results.

## Turnround at Norfolk Capital

A turnround from a £46,482 pre-tax loss to a £105,148 profit is reported by Norfolk Capital Group for the March 31, 1978-half year. Turnover for the period rose from £2.69m to £3.08m. Directors say the result demonstrates that the group has secured its full share of the market during the lengthening tourist season.

They say that while the increased popularity of Britain as a tourist centre was initially concentrated in the summer months, it has now spread to the autumn and spring. The group is well placed to take advantage of this trend with its spread of hotels.

Earnings per share are shown at 0.64p (0.35p loss).

The interim dividend is up from 0.2p net per 5p share to 0.3p. Directors say trading has continued satisfactorily into the summer season and they consequently believe that an overall increase in dividend for the year is justified. The actual recommendation will be subject to Government regulations.

Last year a 0.4p final was paid on pre-tax profits of £0.45m.

They say the purchase of the freehold of the Queensway Hotel and the acquisition of a new long lease for the Royal Court Hotel were completed during the half-year.

The improvement in tenure of the group's hotels has recently been further extended by the purchase of the freehold of the Norfolk Hotel previously held on a short lease, for £215,000. These transactions have considerably enhanced the value of properties and it is adding to this by phased upgrading programmes.

| | Half-year 1977-78 £ | 1976-77 £ |
|---|---|---|
| Turnover | [illegible] | 2,694,771 |
| Trading profit | 313,560 | [illegible] |
| Hotels | 341,560 | 254,601 |
| Assoc. profit | 2,000 | 2,000 |
| Interest payable | [illegible] | [illegible] |
| Profit before tax | 105,148 | †46,482 |
| Group | 20,000 | — |
| Assoc. | 1,000 | 1,000 |
| Net profit | 84,148 | 47,482 |

Ashley Ashwood

Mr. Derek Alun-Jones, managing director of Ferranti.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Edgar Allen | 3.13 | — | 3.13 | 4.33 | 4.33 |
| Ashdown Trust ........int. | 1.3 | Aug. 18 | 1.2 | — | 4.05 |
| Bett Bros. ........int. | 0.77 | Aug. 11 | 0.69 | — | 1.7 |
| Blundell-Permoglaze ..int. | 1.14 | Oct. 2 | 0.86 | — | 2.89 |
| BPB | 3.82 | Aug. 7 | 3.43 | 7.62 | 6.88 |
| CGSB ........int. | 0.44 | — | 0.4 | — | 1.42 |
| Chubb and Son | 2.5 | Aug. 31 | 2.24 | 3.87 | 3.47 |
| Electrocomponents | 2.65 | — | 2.53 | 5.05 | 4.53 |
| Gresham House ...2nd int. | 1.6 | July 29 | 1.6 | 3 | 3 |
| Hardys and Hansons int. | 2.3 | Aug. 7 | 2.1 | — | 7 |
| Hicking Pentecost | 4.86 | Oct. 2 | 4.14 | 7.19 | 6.44 |
| M & G Dual ........int. | 6 | Sept. 4 | 5 | — | 11.35 |
| M.K. Electric | 3.3† | Aug. 25 | 2.69 | 6.46 | 5.23 |
| Norfolk Capital ........int. | 0.3 | Oct. 5 | 0.2 | — | 0.6 |
| South Crofty | 2.48‡ | Aug. 11 | — | 4.13 | — |
| Trust Houses Forte ...int. | 2.85 | Oct. 2 | 2.25 | — | 8.21 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ As forecast in September offer-for-sale.

## 67% profit growth from Electrocomponents

IN THE second half of the year ended March 31, 1978, Electrocomponents has shown further progress, turning in profits of £4.34m from sales of £18.33m.

This gives, for the full year, sales ahead 46.9 per cent to £33.56m and a 67.4 per cent growth in profits to £7.6m.

The final dividend is the maximum permitted 2.65158p, for a net total of 5.05158p per 10p share, compared with 4.5256p.

Group business comprises the manufacture and distribution of electrical components, instruments and accessories.

### ● comment

The industrial recession has put many of the smaller distributors of electronic products out of business so, as demand picks up, it is not surprising to find that the larger companies are getting a bigger slice of the cake. Electrocomponents, where full year profits are more than two-thirds higher, is a case in point. The results reflect an impressive volume gain of around 40 per cent and margins have increased by nearly three points to 22.6 per cent. The company puts this down to its wider product range over most of the group. R.S. Components (85 per cent of sales) has been particularly successful with its "own brand" range of components and anciliiaries and this has helped boost exports by nearly two-thirds to £1.9m—mainly to the Middle East and the Far East. Similar progress has been made by Electroplan (electronic instruments) and Radio Register (passive components), which have also increased their product ranges. The shares rose 13p to 443p for a p/e of 10.2 which is probably a fair rating taking into account the company's prospects, while the yield is 1.7 per cent, covered 8.6 times.

## 306% return by private company

JORDAN DATAQUEST's 1977 edition of "Britain's Top 1,000 Private Companies" includes more than 150 new entries.

It shows that three private companies achieved a more than 100 per cent return on capital last year while the most profitable quoted industrial company, advertising agents, Geers Gross made a return of 88.6 per cent. The three private companies are food wholesalers, L. E. Pritchett (306.8 per cent), whisky distillers William Grant and Sons (166.9 per cent) and wines and spirits wholesalers Grierson Blumenthal (155.8 per cent).

Jordan's fourth computer-aided survey has been improved by the inclusion of three years data on each company and an overall performance rating system, which was first used in its third edition of "Britain's Quoted Industrial Companies" published last month.

*Britain's Top 1,000 Private Companies 1977, Jordan Dataquest, Jordan House, 47 Brunswick Place, London N1 6EE. Price: £14.*

## Bett Bros forecasts £0.8m fall

PROFITS DOWN from £2.88m to around £2m are forecast by Bett Brothers for the year ending August 31 1978. Turnover is expected to reach around £19m compared with £19.42m in 1976/77.

In the first six months, profits show a fall from £1.71m to £1.07m.

In his annual statement in February Mr. A. A. Bett, chairman, said indications were that the recession in the building trade was diminishing. On the contracting side several new contracts had been secured although he thought profits would be more difficult to achieve and he could not see an improvement.

On the private side Mr. Bett was more optimistic. He said that signs of a shortage appearing in the second hand market together with lower interest rates should assist sales. This taken with increased contributions from subsidiaries in property investment, and licensed trade fields, and an expansion envisaged by Pitkerro (PHV), should offset to some extent less profitable competitive contracts.

With these uncertainties he felt it would be unwise to make an assessment of the current year's results.

The interim dividend is increased from 0.6868p to 0.767p net—the total for 1976/77 was 1.7018p. Certain holders have waived their dividend aggregating £23,148.



## Second-half drop at MK Electric

ADVERSELY AFFECTED by several factors at its principal operating company, pre-tax profits of MK Electric Holdings fell from £3.86m to £2.39m in the second half to leave the figure for the 52 weeks to April 1, 1978 down at £5.95m compared with a peak £6.17m for the previous 53 weeks. Turnover was higher at £36.78m against £31.29m.

Factors affecting MK Electric included start-up costs of new overseas operations, heavy development expenditure on the new Sentry System consumer unit, difficulty in holding gross profit margins and a short strike at the Edmonton factories which caused a shortage of components for several weeks.

Mr. David Robertson, the chairman, says the current year has started very well indeed. All factories are at full production and order books are very good and sales production and order books are ahead of budget throughout the group.

Results of the recently acquired Ega Holdings were consolidated from November 7, 1977, and contributed £672,000 to group taxable profit.

Stated earnings per 25p share declined from 37.40p to [illegible] while the dividend total is stepped up to 6.46p (5.23p) net with a final of 3.3p.

| | 52 weeks 1977-78 £000 | *Restated 53 weeks 1976-77 £000 |
|---|---|---|
| Turnover | [illegible] | [illegible] |
| Trading profit | [illegible] | [illegible] |
| Net interest | [illegible] | [illegible] |
| Share of assoc. loss | [illegible] | — |
| Profit before tax | [illegible] | [illegible] |
| Taxation | [illegible] | [illegible] |
| Net profit | [illegible] | [illegible] |
| Minority profit | [illegible] | [illegible] |
| Available | [illegible] | [illegible] |
| Dividends | [illegible] | [illegible] |
| Retained | [illegible] | [illegible] |

* Following changes in accounting policy for depreciation and deferred tax in line with SSAP 12 and ED 19. † Loss.

### ● comment

Stripping out the Ega acquisition, MK's second half profits are [illegible] per cent lower and margins have slumped by around eight points to 17½ per cent. The unexpected downturn was mainly the result of an eight-day strike at the Edmonton factory which disrupted electrical component supplies and affected both the home market and the important export trade. In addition there was some delay in getting approval to increase prices and there were development costs of around [illegible] for the new Sentry miniature circuit breaker. All this left the enlarged group well short of the [illegible] profits forecast for the year. However, production is now back to normal and the company reports that order books and sales are both ahead of budget. Demand for electrical plugs and sockets is starting to improve in the wake of increased housing starts and rewiring jobs and there will be the benefit of the February price rise (almost 10 per cent). At 113p (down 5p), the shares are on a p/e of 5.4 (low tax charge) while the yield is 8.7 per cent. The dividend is covered almost five times.

### WOOD & SONS

Newman Industries has despatched to shareholders the formal offer document for earthenware and packing material manufacturers, Wood and Sons (Holdings). Newman's offer worth 60p per share in preference stock values Wood and Sons at £2.4m.

### ISSUE NEWS

## Central & Sheerwood

Central and Sheerwood proposes to issue, by way of a scrip, 1.6m preference £1 shares and 32m ordinary 5p shares to holders of ordinary shares registered June 23.

The issue will be made on the basis of one preference share for every 20 ordinary shares and one new ordinary share for every one ordinary share held.

The proposed scrip issue will bring the capital more into line with the assets employed. The authorised capital is doubled to £8m by the creation of 1.6m 10 per cent cumulative preference £1 shares and 28m new ordinary 5p shares.

Application will be made to the Council of the Stock Exchange for listing of the preference and the new ordinary shares. Subject to such listing being granted, it is expected that dealings will commence on August 7.

An EGM will be held on July 24, at 12.00 noon.

### EAST ANGLIAN RAISING £2M

East Anglian Water Company is raising £2m by an offer for sale by tender of 7 per cent redeemable preference stock 1983 at a minimum price of £97.50 per cent.

The stock is payable as to £10 per cent on application and the balance by August 3. Applications must be in no later than 12 am on July 5.

Interest on the stock will be payable half-yearly on April 1 and October 1. The first payment will be in October at the rate of £1.193 per cent.

The stock is repayable on June 30, 1983.

Brokers to the issue are Seymour Pierce and Co.

### ● comment

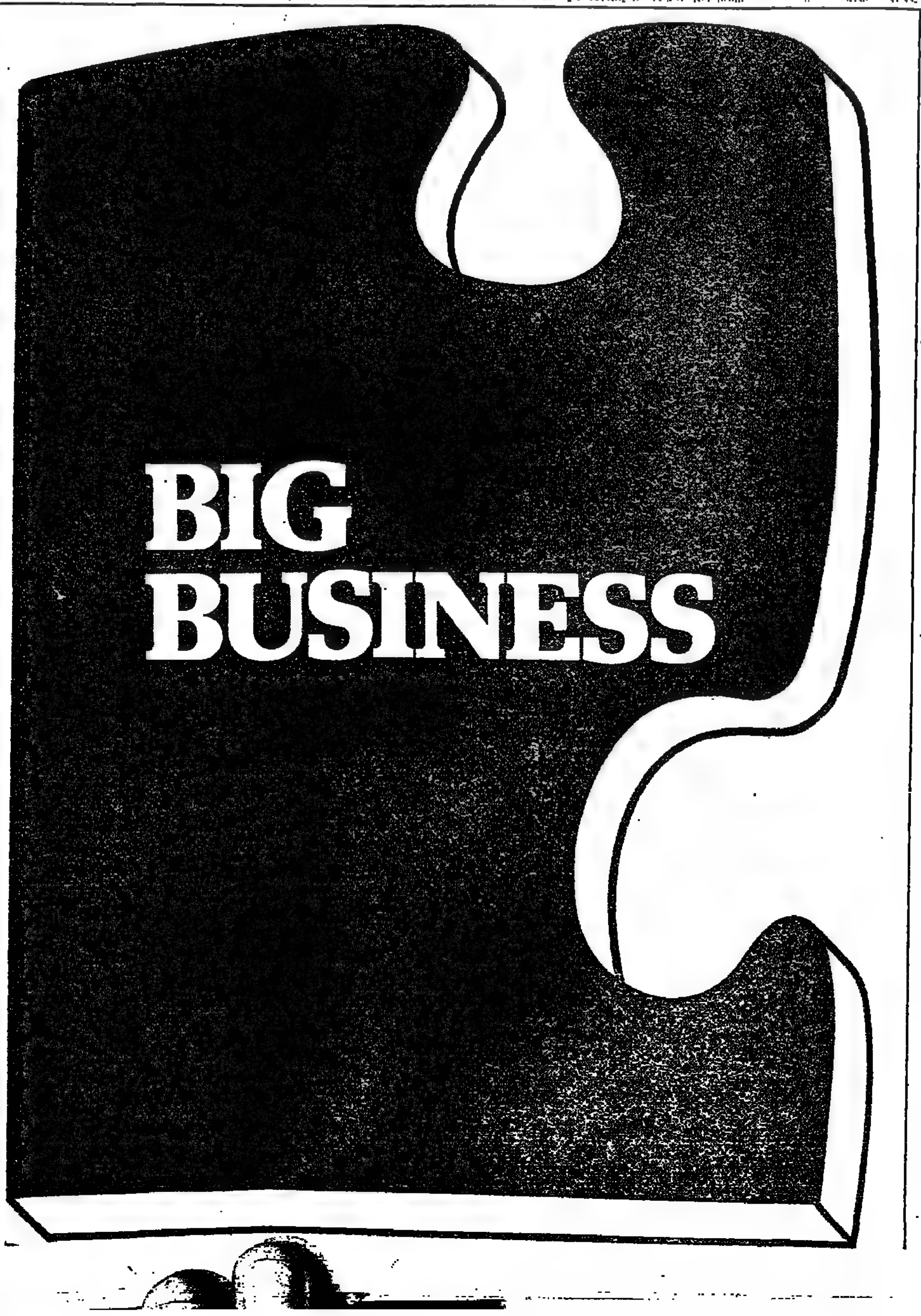
The East Anglian Water issue is similar to that made by Essex last month. The Essex stock is now standing at £11 (£10 paid) bid not offered. So given the fact that there seems to be a wider grasp of this form of franked investment income this issue should be comfortably absorbed. Taking a line through Essex it would seem that tenders at least a point above the minimum level would be necessary to obtain stock.

### ST. KITTS (LONDON)

In response to the offer by Industrial Equity for St. Kitts (London) Sugar Factory, acceptances received amount to 325,789 shares (83.5 per cent).

With shares already held this gives a total of 92.9 per cent. The offer is now unconditional and remains open.





# Blundell-Permoglaze jumps £0.33m midway

THE EXCELLENT progress reported by **Blundell-Permoglaze Holdings** at the AGM in March continued throughout the six months ended April 30, 1978, and *group pre-tax profits for that* period show an advance from a restated £273,680 to £603,436.

Mr. N. G. Bassett Smith, chairman, tells members that the group's experience in May and June gives him every confidence that the final result will be very pleasing.

*The interim dividend* is being increased by the maximum permitted annual amount from 0.86p to 1.14p net and the chairman hopes that Government policy will allow a further increase in the final. The total for 1976-77 was 2.89p paid from profits of £1.13m.

The chairman reports that the *decorative* and export divisions improved substantially. Volume sales were well up which against slow growth in the industry indicates a further increase in market share. The industrial side also traded at a higher level, increasing its volume, and continues to progress. Building chemicals, although making a loss, showed continuing improvement throughout the half year.

Action with regard to the significant losses made in the Scottish *merchanting* division has taken place and the Inverness and Edinburgh branches closed *but arrangements have been made* for group products to be distributed in these areas.

*In Glasgow new premises* have been obtained from which the main distribution centre for Scotland is operated. The two branches at Ayr and Dumfries have been sold back to Mr. W. H. Lowrie and he will continue as a *main Blundell-Permoglaze* distributor. Certain losses have been incurred in the first half but they will not be repeated in the second.

The manufacturing operations in Ireland continue to progress despite business activity being at a low level. As regards the disposal of the Indian investment the group is now waiting to have the proceeds remitted.

*The sale of the Beverley Road* site in Hull was completed during May, and this will be reflected in the year-end statement.

| | Half year 1977-78 £ | 1976-77 £ |
|---|---|---|
| Sales | 9,104,025 | 7,510,356 |
| Trading profit | 745,617 | 397,858 |
| Depreciation | 142,181 | 124,178 |
| Profit | 603,436 | 273,680 |
| Taxation | 316,200 | 102,700 |
| Net profit | 287,236 | 170,980 |
| Minority loss | 1,302 | 1908 |
| Attributable | 288,538 | 170,072 |
| Pref dividend | 828 | 828 |
| Attributable | 287,710 | 169,244 |

† Profit.

In order to accord with changes made in the accounts for 1976-77, *the figures originally presented* for the 1976-77 half-year have been restated to incorporate the following adjustments:—Blundell Eomite Paints (India) is no longer dealt with as an associate and the share of profits amounting to £36,933, with taxation of £24,900 applicable thereto, have been eliminated; provisions of ED19 have been adopted and taxation has been reduced to the extent of £39,100. (The 1977-78 tax charge has no such reduction as no relief is at present anticipated for the full year.)

## Chamberlin & Hill uncertain

*Despite the encouragement of* recent months, the outlook at *Chamberlin and Hill* is still very uncertain and it is likely there will be under-utilisation of production capacity at times in the next year, Mr. T. Martin, the chairman, says in his annual review.

In his interim statement last year he referred to the low demand which had characterised the earlier months of the year and held out the hope that the second half would show an improvement. In the event, the order intake recovered strongly with profits for the second six months a more realistic reflection of the company's earnings potential, he says.

*Pre-tax profits* for the whole year at £0.62m were slightly ahead of last year's £0.6m.

Mr. Martin says that because of this lack of confidence in the UK economy the company has devoted a lot of energy to its exporting activity and despite the fluctuations of sterling in the money-markets, he is happy to *report a further significant* increase in overseas business.

A great deal of effort in the past year has also been given to improving and developing the facilities of the two subsidiary companies acquired in January, 1977, and the levels of efficiency now being achieved by these companies are highly satisfactory.

However, in common with the other companies in the group, they are at present subject to the problems associated with an extremely variable order load and their true potential has yet to be reflected in the trading results.

*As a result of a successful* acquisition and diversification policy, the company is now in a better position to avoid the large fluctuations in earnings which have been a feature of the *foundry industry in the past, he* says.

It shall continue to exploit the flexibility it now possesses to compete effectively in many different markets but some sign of sustained growth in world trade would be very welcome.

Meeting, Walsall, July 21, at noon.

# THF ahead to £12.2m so far

AN ENCOURAGING start to the current year has been made by **Trust Houses Forte** with group pre-tax profits for the six months ended April 30, 1978 showing an increase to £12.2m compared with £10.4m which included a profit of £4.1m on the sale of fixed assets and investments.

The directors report that bookings are satisfactory and they look forward with confidence to another successful year. They point out that owing to the seasonal nature of the group's business only a small proportion of the year's profit accrues in the first half—in 1976-77 the pre-tax profit totalled £38m.

The interim dividend is being stepped up from 2.25p to 2.85p net—the total for 1976-77 was 8.2094p.

| | Half year 1977-78 £m | 1976-77 £m |
|---|---|---|
| Trading receipts | 270.1 | 217.1 |
| Trading profit† | 19.8 | 15.2 |
| Profits on sale of assets | — | 4.1 |
| Financial charges | 7.4 | 8.8 |
| Minority | 0.2 | 0.1 |
| Leaving | 12.4 | 10.5 |
| **Profit before tax** | **12.2** | **10.4** |
| *Taxation* | 5.2 | 2.4 |

†After depreciation of £8.9m (£6.5m) but before adjusting for currency translation differences.

The figures include the full half-year's profits for the hotels acquired from Lyons (1977—three months) and Knott (1977—two months). The 1977 profits include five months profit of Terrys up to its date of disposal.

## First-half downturn at Rakusen

AFTER INTEREST of £50,100 against £68,600, taxable profits of **the Rakusen Group** dropped from £25,800 to £10,300 for the half-year to December 31, 1977. Turnover was down by £25,200 at £595,200.

For all the previous year, a profit of £27,828 was reported and no payments were made. The last dividend was 0.335p net in respect of 1973-74.

The directors state that the land tribunal hearing on the company's claim against Leeds MDC for the *Meanwood Road factory* was held during the week commencing May 22, 1978, but adjourned after three days for a ruling on a point of law relating to the disturbance part of the claim—a decision is expected soon. As yet no compensation has been received for either the building or disturbance claim.

The West Park factory and office premises have been sold on a sale and lease back basis to an assurance society for a figure in excess of book value. This arrangement will substantially reduce the group's bank borrowing, the directors add.

The group's activities involve food manufacturing and distribution and property development.

## BAT offshoots

*Three subsidiaries of* **BAT Industries** yesterday announced their results for the first half of the current year.

In the 26 weeks ended April 1, 1978, pre-tax profits of **Wiggins Teape Group** showed a reduction from £18.93m to £16.54m on sales *ahead from £212.87m to £231.23m.*

The profit was struck after interest of £4.61m (£5.48m). Providing for tax of £8.74m (£8.31m) and minorities of £80,000 (£490,000), the attributable balance emerges at £7.72m against £10.14m.

The amount retained in inflation reserve *out of profits for the full* year to October 1, 1977, was £6.9m. It is estimated that the amount to be set aside in respect of the half year to April 1, 1978, is £0.9m.

At **International Stores** turnover in the 27 weeks ended *April 1, 1978, climbed from* £171.91m to £226.97m while profits before tax improved from £2.51m to £3.04m. The profit was struck after interest of £1.33m (£0.72m) and tax requires £0.76m (£1.22m).

The figures include the results of F. J. Wallis from April 23, 1977, but exclude those of Kearley and Tonge which became a direct offshoot of BAT Stores Holdings with effect from September 25, 1977.

The directors state that severe price competition in food retailing has intensified, substantially diminishing the profitability of the industry. Action taken to maintain sales volume and market share has been successful but at the expense of trading profit in the short term.

**British-American Tobacco Company** reports a little changed profit of £195,000 against £190,000 *for the half-year ended March 31,* 1978, on a turnover of £3.67m against £2.46m. The attributable balance emerges at £90,000 (£95,000).

## Gresham House

For 1977, group profit of **Gresham House Estate Company** improved from £250,000 to £271,000.

After tax £17,000 (£83,000) and taking in an extraordinary credit of £36,000, the net profit was *£123,000 higher at £290,000.*

The second interim dividend is 1.6p net for an unchanged 3p total.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

**TODAY**

**Interims**—Eurotherm International.

**Finals**—Bratt[illegible], Cawdaw Industrial, [illegible], Mead and Simpson, Weston-Evans, Wintrust.

**FUTURE DATES**

| | |
|---|---|
| **Interims—** | |
| Gough Cooper | July 6 |
| Meggitt | July 17 |
| **Finals—** | |
| Bambergers | July 5 |
| Eucalyptus Pulp Mills | July 4 |
| Hampton Gold Mining Areas | July 4 |
| St. George's Laundry (Worcester) | July 19 |
| Scottish and Universal Invests | July 7 |
| Tex Abrasives | July 4 |
| Thorn Electrical Industries | July 7 |

# London Sumatra to improve

PROVIDED COMMODITY prices are maintained, remittances from Indonesia should enable **London Sumatra Plantations** to improve UK dividends and income in the future, Mr. F. W. Harper, the chairman, says in his annual statement.

In view of the increasing size of its dividend payout, the group will this year declare an interim dividend in December, payable early next year.

The chairman says that with its Indonesian investment plans and remittances it is making satisfactory progress towards clearance from its commitments under the 1969-73 investment plans. Its two major subsidiaries have been cleared and negotiations are continuing in respect of the smaller companies.

This partial clearance establishes a right to remittability from Indonesia, but he points out that under the 1968 agreements with the Indonesian Government, it is committed to a continuing programme of rehabilitation, development and modernisation of estates.

This includes replanting large areas of old rubber and planting large areas of reserve-land as soon *as funds permit.*

In June this year a remittance of £323,928 was received from Indonesia for deposit interest earned from 1973 to 1977 by the two companies with investment plan clearance. This will be included in the 1978 accounts.

Last year, when profit before tax rose from £1m to £1.34m, rubber and oil palm crops in *Indonesia were down on estimates* after being affected by prolonged dry weather.

There are signs that the oil palms are reacting to the past two years of low rainfall and cropping results for the first half have so far been disappointing. But directors expect a return to a more normal pattern in the second half.

In 1977, 4,670 acres were planted/replanted with rubber, along with 480 acres of oil palm. Small plantings of cocoa and tea were made. In 1978, 4,440 acres of *rubber will be planted/replanted* with 2,120 acres of oil palms.

In Malaysia last year 186 acres formerly planted with rubber and five acres of waste land were planted with oil palms and in the current year 210 acres will be converted from rubber to oil *palms.*

A valuation of estates showed a £30.87m value for the Indonesian estates and £2.71m for the Malaysian estates.

## NEW EXPATRIATE FUNDS

Three new funds for the expatriate have been launched by **Quest Fund Management (Jersey)**, a new financial services group owned by investment specialists Electra Group—which manages investment trusts in the UK; money market and foreign exchange specialists M. W. Marshall; bankers and trustees the Royal Trust Company of Canada, London; and insurance brokers C. T. Bowring.

The three new funds—Quest Sterling Fixed Interest, Quest International Bond Fund, and Quest International Securities Fund—have been launched in the Gulf with a view to tapping the incomes of expatriates there.

## Ashdown Trust halfway increase

In the half year ended May 31, 1978, revenue before tax of **Ashdown Investment Trust** rose from £270,641 to £370,371.

*The interim dividend is lifted* from 1.2p net per 25p share to 1.3p. For the year ended November 30, 1977, a total of 4.05p was paid from revenue of £836,000.

At May 31 net asset value per share was 180.3p (169.8p) assuming full conversion of loan stock.

| | First half 1978 £ | 1977 £ |
|---|---|---|
| Revenue | 370,371 | 270,641 |
| Taxation | 128,596 | 93,612 |
| Net revenue | 241,775 | 177,029 |
| Preference dividend | 4,298 | 4,288 |
| Available ordinary | 237,487 | 172,741 |
| Interim dividend | 125,853 | 115,983 |

## RESULTS AND ACCOUNTS IN BRIEF

**AIRFLOW STREAMLINES**—Results for February 28, 1978, year already known. Fixed assets £3.28m (£1.59m), net current assets £0.72m (£0.5m); stock and work in progress £1.34m (£0.96m), overdraft £0.99m (£0.39m); short-term loans £0.29m (£0.10m). Net liquid funds increased £0.43m (£28,355). Valuation of land and buildings shows £923,456 surplus over net book value. Meeting, Northampton, July 17, noon.

**ALLIANCE INVESTMENT COMPANY**—Results for year ended April 30, 1978 reported June 15 with net asset values. Investments, £17.9m (£16.10m). Unrealised surplus £7.33m (£6.41m). Chairman is *hopeful of further increase in earnings* and dividend in current year. Company will retain a high proportion of investments overseas in countries where future looks more attractive. In UK, concentration continues on smaller companies with good growth prospects. Meeting, 1-2, Laurence Pountney Hill, EC, July 19 at 2.30 p.m.

**ATTWOOD GARAGES**—Results for year to *January 31, 1978, reported June 21.* Fixed assets £778,911 (£785,393), net current assets £465,228 (£418,714). Chairman says trading so far in current year maintained at similar encouraging level to previous year. Meeting, Wolverhampton, July 19 at noon.

**BREMAR TRUST**—Final 1.0p, making 1.5p for period ended March 31, 1978 (0.5p). Group revenue £37,588 (£11,947) *after tax £9,614 (£5,451).* Extraordinary items debited prior to arriving at group revenue £12,959 (£4,432). Earnings per 25p share 2.11p (0.69p). Net asset value 25.3p (25.92p). Group revenue includes income of £35,518 (nil) arising from contracts involving the ultimate holding company, Bremar Holdings.

**CARDIFF MALTING COMPANY** (malting and property investment)—Turnover for six months to March 31, 1978 £252,354 (£261,174) and profit £8,740 (£14,160) *before* tax £3,700 (£6,000). Interim dividend 0.5p (0.9p) net per 20p share.

**CONTINUOUS STATIONERY**—Results for March 31, 1978, year already known. Fixed assets £554,324 (£579,983), net current assets £612,323 (£546,836). Working capital increased by £122,339 (£72,298 decrease). Chairman says current year has begun comparatively satisfactorily so far as order book is concerned, although trading margins remain extremely tight. At May 24 Glyns Nominees held 5.8 per *cent of issued capital.* Meeting, 87, Eaton Place, SW, July 18, at noon.

**COUNTRY GENTLEMEN'S ASSOCIATION**—Dividend 16.29p (14.30p) for year to March 31, 1978. Earnings per share 10p (48p). Turnover for year £2,340,000 (£2,210,000). Group profit £7,888 (£39,000) after all charges including tax of £14,641 (£43,463). Board states that while results are disappointing they are in no way *pessimistic about the future.* Group properties have been revalued and show a capital increase of £828,388 since last valuation in 1973.

**R. A. DYSON AND CO.** (manufacture, repair, servicing of trailers)—Results for March 31, 1978 year, reported May 19. Fixed assets £76,345 (£72,431), net current assets £559,217 (£560,193). Net liquid funds increased by £10,331 (£4,001). Company has *close status. Meeting, Liverpool,* July 17, noon.

**GEI INTERNATIONAL**—Results for the year ended March 31, 1978 reported June 14. Group fixed assets £11.19m (£8.68m). Net current assets £12.43m (£10.99m)—cash etc. £7.13m (£6.38m) and overdrafts £2.38m (£1.32m). An analysis of profit before tax shows:—Midland steels products £2.75m (£1.79m), Midland bright £1.73m (£1.49m), special products £0.48m (£0.41m), packaging products £1.05m (£0.75m), less GEI head office £0.47m (£0.31m). Meeting, The Dorchester, W, July [illegible] at 11.15 a.m.

**GOUGH BROTHERS** (wine merchants)—Results year to January 28, 1978 already known. Group fixed assets £1.31m (£1.13m), net current assets £321,913 (£427,430). Working capital decreased by £120,347 (*increase* £236,313). Meeting, 39-45 *Tottenham Court Road, W, July 5, at* 10.30 am.

**JOHN HEATHCOAT AND CO.**—1977 turnover £13,205,200 (£13,097,700). Profit £142,200 (£567,100) after all charges including tax of £355,800 (£243,900). Company is a subsidiary of Coats Patons.

**INVERGORDON DISTILLERS (HOLDINGS)**—Results for March 31, 1978 year reported June 1. On CCA basis, historical pre-tax profit of £2.8m (£1.54m) reduced to £1.49m (£0.98m) after adjustments on depreciation £0.28m (£0.22m), cost of sales £1.19m (£0.81m) offset by gearing £0.18m (£0.14m). Group fixed assets £11.1m (£10.02m), net current assets £9.01m (£8.43m). Bank overdrafts £0.3m (£2.81m). At May 26, 1978, Carlton Industries held 76.2 per cent of equity. Meeting, Glasgow, July 19, at noon.

**LONDON AND HOLYROOD TRUST**—Results for year to March 31, 1978, already known. Listed UK investments, £21.97m (£17.64m), abroad £10.77m (£11.96m), unlisted £1.7m (£1.53m). Current assets £0.4m (£1.58m), current liabilities £0.62m (£1.27m). Present estimates indicate a continuing growth in revenue, permitting further increase in dividend. Meeting, 83, Cannon Street, EC, on July 20 at 3 pm.

**LONDON AND LIVERPOOL TRUST**—Net revenue £19,324 (£14,798) after tax £12,578 (£8,637) for year to March 31, 1978. Earnings per 10p share 0.77p (0.59p). Final dividend 0.462p net making 0.694p (0.4225p). Net asset value per share 18.35p (17.38p). Gross income from investments £37,192 (£28,901). Deposit interest £5,127 (£5,852).

**LONDON AND PROVINCIAL TRUST**—Results for March 31, 1978, year already known. Valuation of listed UK investments £26.76m (£21.78m), abroad £16.2m (£17.82m) and unlisted £2.27m (£2.22m). *Uninvested funds decreased £0.46m* (£0.16m increase). Meeting, 53, Cannon St., E.C., July 20 at 2.15 pm.

**METAL BOX**—Results for year to March 31, 1978 with full preliminary statement and chairman's comments on prospects reported June 6. Cost of sales adjustment £18m (£22m); depreciation adjustment £16m (£14m) and gearing adjustment £6m (£7m) giving net reduction in *pre-tax profit of £28m (£29m). Group* fixed assets £197.95m (£180.38m). Net current assets £124.77m (£123.58m). Meeting, The Dorchester, W, July 20, at 12.30 pm.

**METAL BOX OVERSEAS** (subsidiary of the Metal Box Company)—Results for year to March 31, 1978 already known. Fixed assets £80.57m (£79.84m). Current assets £124m (£118.74m) and liabilities £98.77m (£87.16m). Meeting, Reading, July 19 at 12.30 p.m.

**PAULS AND WHITES** (corn merchants and animal feedstuffs)—Results for year to March 31, 1978 reported June 16. CCA statement shows depreciation adjustment £2.29m, cost of sales, £181,000 and gearing adjustment £667,000 giving adjusted pre-tax profit of £4.35m—£6.25m. Historic group fixed assets £21.27m (£14.04m restated). Net current assets £16.73m (£14.23m). Chairman says over past seven years, group has *achieved steady increase in profitability* and Board confident it will be possible to continue this trend. Meeting, Ipswich, Suffolk, July 20 at 12.15 pm.

**PROVINCIAL LAUNDRIES**—Results for 1977 already known. Fixed assets £201,740 (£250,326), net current assets £135,120 (£68,223). No overdraft (£54,212). Working capital increased £53,776 (£14,923). Meeting, Maidenhead, Berkshire, July 15, at noon.

**SEKONG RUBBER COMPANY**—Dividend 6.39216p (5.81107p) for year ended March 31, 1978. Profit before tax £37,717 (£31,257), brought forward from previous year £446,154 (£294,660), underprovision of tax in previous years £2,204 (£17 overprovided). Profit on sale of estate nil (£187,453). Taxation £13,800 (£13,386). Malaysian tax applicable to previous years nil (£45,000). Dividend £9,558 (£8,717). *Forward £462,687 (£446,154). Meeting,* August 15, 10-15 Mincing Lane, EC, August 15.

**STONEHILL HOLDINGS** (manufacturer of domestic furniture)—Results for April 2, 1978 year reported May 18. Group fixed assets £1.65m (£1.65m), net current assets £1.29m (£1.02m). Net liquid funds increased by £10,464 (£295,731). Directors are looking forward to excellent autumn/winter trading which if continued into 1979, will yield marked improvement in full year's results. Meeting, Churchill Hotel, W, July 20, at 11.30 am.

**WESTPOOL INVESTMENT TRUST**—Results for year to April 30, 1978, already reported with net asset values. Investments £13.27m (£12.17m): Unrealised appreciation £4.97m (£4.25m); Prudential *Assurance holds 31.9 per cent of capital.* Meeting, 120 Cheapside, EC, July 18 at 4 pm.

# Second half fall leaves Chubb 4% down

FOLLOWING A small rise at midway, profits of Chubb and Son, the security systems group, declined from £8.97m to £8.12m in the second six months leaving the total for the year to March 31, 1978, 4 per cent lower at £13.52m pre-tax, compared with the previous year's record £14.11m. Sales were up by 26 per cent to £199.3m.

| | 1977-78 £000 | 1976-77 £000 |
|---|---|---|
| Turnover | 199,254 | 158,473 |
| Trading profit | 15,907 | 15,736 |
| Interest paid | 2,454 | 1,722 |
| Share of assocs' profits | 70 | 75 |
| **Profit before tax** | **13,523** | **14,109** |
| Tax* | 4,485 | 4,430 |
| Net profit | 9,038 | 9,679 |
| To minorities | 331 | 710 |
| Extraord. credit | 34 | †127 |
| Making | 8,613 | 8,842 |
| Exchange debit | 384 | 2,257 |

* ED19 applied. † Debit. ‡ Credit.

However, the directors believe they are justified in expressing some confidence that the current year will produce improved results.

Earnings are shown to have dropped from an adjusted 19.23p to 17.53p per 20p share. The dividend total is raised to the maximum permitted 3.872p (3.4675p) net, with a final of 2.496p assuming an ACT rate of 33 per cent.

The 1977-78 figures include the results of Gross Cash Registers and L. and F. Willenhall with effect from January 19, 1977 and January 1, 1977 respectively.

If the results of new acquisitions are excluded, then UK sales increased by 19 per cent and profit by 9 per cent, overseas sales, including exports from UK, rose by 12 per cent and profit by 2 per cent, and UK exports, including sales to overseas subsidiaries, were up by 22 per cent.

Lord Hayter, the chairman, reports that during the year trading conditions held up remarkably well for Chubb Lock and Safe, and both Chubb and Son's Lock and Safe Company and Josiah Parkes improved turnover and profits.

On the electronics side, Chubb Alarms Group had an excellent year producing substantially better profits, however, Chubb Integrated Systems, due to a lack of orders from British banks for machines, sustained a loss.

Gross Cash Registers is not yet in a satisfactory position, the chairman says. Despite taking major steps to economise, the savings were eroded by increased costs particularly in wages, which resulted in a pre-tax loss of £1.7m from the date of acquisition.

Further steps to improve the outlook are in hand, while on the credit side, the company held its share of the market and a development programme is under way for a new range of electronic machines, he adds.

The overall result of Chubb Fire Security was only marginally better, but it goes into the current year with a healthy order book and improved facilities which gives hopes for a most successful year, Lord Hayter states.

In Continental Europe, orders and sales were up 17 per cent and profits by 64 per cent. Further substantial progress was made in the Lips and Gispen operations, especially in Holland and Belgium. Italian operations continued profitable growth while in France, the expansion of activities has been supported by the creation of a number of regional sales and service centres.

Both Australian and New Zealand companies operated satisfactorily and the Canadian operation continued to make solid progress.

With most trading divisions again operating at a lower rate of activity, the South African company's pre-tax profit fell by 3.7 per cent. As with 1977, the reduced trading volume and profitability can be related mainly to a reluctance by consumers to purchase goods of a capital nature, the chairman explains.

In Hong Kong, overall results were disappointing, however, the company now has a firmer foundation on which to build and the directors hope for a better profit performance this year, following a sharp fall in 1977-78.

Chubb Malaysia had a reasonably successful year with an increase in sales of 9 per cent although profit was only marginally better, says Lord Hayter, while the Indonesian company had the highest percentage increase in turnover and profits of all the group's overseas ventures.

## ● comment

The digestion of Gross Cash Registers, acquired in January, 1977, is proving more difficult than Chubb anticipated. At the halfway mark, with post acquisition losses at £1.1m, Chubb expected that remedial action taken or planned was sufficient to have GCR making small profits by year end. In the event, the pre-tax losses climbed to £1.7m and the turn round date has been put back by about a year. The market reacted to the news by knocking 14p off the Chubb shares which closed at 123p. If the GCR figures are stripped out there is still little joy as the company is feeling the effects of flat demand worldwide and a squeeze on gross margins. The healthy order book that existed in November was turned into sales—but profits grew at a much slower rate both in the UK and overseas. Trading since the year end has been better than the comparable period but in the absence of any significant improvement in world economies it is unlikely that profit growth will be dramatic. The shares are selling on a yield of 4.9 per cent and a p/e of 6.9.

# Edgar Allen Balfour well below forecast at £2.5m

ALTHOUGH SHOWING a significant recovery compared with 1976/77's £737,000, which was depressed by industrial action, group pre-tax profits of Edgar Allen Balfour at £2.48m for the year ended April 1 1978 have fallen well short of forecast.

In his annual report last July Mr. J. D. Oakley, chairman, said that the reorganised group was in a strong position to take full advantage of any general upturn in the economy and he expected that profits for 1977/78 would exceed the £3.3m record reached in 1975/76. However reporting on the half year profits in November (they were up from £0.52m to £1m) he warned of many uncertainties in the trading outlook and reassessed the position as being one where although the year's result would be satisfactory it would probably be below expectations.

The improved result reflects a turnround of £1.67m to a profit of £1.54m from the UK companies—the engineering side showing a profit of £519,000 against a loss of £814,000. Mainly due to losses in North America and elsewhere the overseas contribution was down from £816,000 to £480,000. Profit was also aided by a surplus of £699,000 (£158,000) on the sale of fixed assets.

Group external sales in the year improved from £49.13m to £58.54m—the value of direct exports from the UK was up from £9.1m to £11m. The group's share of the export market has been maintained after considerable efforts against fierce competition.

Looking ahead the chairman reports that there is still no sign of an upturn in world trading conditions in the special steel and engineering sectors. More recently there has been a significant decline in demand for all types of steel and in particular, the problems in the tractor and heavy goods vehicle industries are having repercussions in the demand for steel products. In all activities competition is intense.

Members are told that the low level of orders for tool steel and high speed steel coupled with activity of overseas competitors in this market has resulted in the group having a very poor start to the current year. The chairman sees too many uncertainties to make a forecast for the year but feels that the group is in a strong position to take advantage of any general upturn in the economy.

Orders on hand at May 31 totalled £20.8m compared with £22.8m at the half year end and £22.6m a year ago. The chairman points out that the order intake during the last three months for special steels is at the lowest level ever experienced and orders are being accepted in both home and overseas markets at prices which are seriously depressing margins.

It is not considered that the results and short term prospects justify an increase in dividend, so this is being maintained at 4.33p with a final of 3.13p. Earnings per 25p share are stated at 6.8p against 1p.

| | 1977-78 £000 | 1976-77 £000 |
|---|---|---|
| External sales | 58,535 | 49,136 |
| Operating profit | 3,059 | 1,796 |
| Interest | 1,360 | 1,384 |
| Share of associates | 80 | 157 |
| Profit sale of fixed assets | 699 | 158 |
| Profit before tax | 2,478 | 737 |
| Overseas tax | 44 | 378 |
| Irrecoverable ACT | 787 | 144 |
| Development land tax | 297 | — |
| Net profit | 1,370 | 217 |
| Minorities | 13 | 18 |
| Preference dividends | 16 | 18 |
| Attributable ordinary | 1,341 | 199 |
| Currency losses | 115 | 123 |
| Extraordinary items | 48 | 1,048 |
| Leaving profit | 1,177 | *932 |
| Ordinary dividends | 856 | 656 |
| To reserves | 321 | †1,588 |

The 1977 figures have been restated to incorporate the effects of the revised group accounting policies relating to finance leases and depreciation of buildings. * Loss. † From reserves.

A breakdown of group turnover and profit shows (£000s omitted): UK subsidiaries—special steels £13,631 and £446 (£10,581 and £240); forgings and castings £17,256 and £574 (£15,161 and £445); engineering including tools £21,431 and £519 (£18,304 and £814 loss); overseas subsidiaries—South East Asia and Australasia £12,051 and £819 (£10,992 and £735); North America £1,029 and £193 loss (£990 and £2); and other £579 and £36 loss (£641 and £79).

In the first half the UK group suffered an adverse cash flow of £2.1m mainly attributable to the reinstatement of normal working capital levels following industrial action and £1.2m spent on new plant and premises. In the second half the UK group achieved a positive cash flow of £[illegible] after further spending on new plant and premises amounting to £761,000 and £407,000 received from the sale of land and buildings.

The two major capital investment projects have continued ahead of schedule. The GFM long forging machine for Edgar Allen Balfour Steels costing £2.3m was commissioned in March, 1978, and is now fully operational. The Davy Loewy press for George Turton Platts and Co. costing some £2.2m is in the course of installation and is expected to be commissioned in September, 1978. Both investments are financed by leasing agreements.

Overseas expenditure of £813,000 on new plant and the completion of a new warehouse and head office in Sydney, Australia, together with the cost of starting up new operations in Hong Kong and the U.S. has resulted in an overseas adverse cash flow of £549,000.

## ● comment

Pre-tax profits at Edgar Allen Balfour are more than trebled although this is still 25 per cent lower than the 1976 result. Profits this time also include a £0.7m boost from fixed asset sales, against £0.16m, while the turnround in engineering is primarily due to rationalisation including the Capital Tools closure. Overall return on capital has improved to 7½ per cent from the low levels last time. But with demand weak for most of the company's products, on top of rising costs and overseas gross margins which have been squeezed from 6.5 per cent to 3.5 per cent, the way ahead is certainly uphill. Many companies in the private steels sector have been cutting costs and installing new capital equipment during the recession. The labour saving GFM machine is now fully operational and barring a repeat of last year's plant failures, there should be some boost to the forgings division's profits. At 58p the shares still yield a speculative 12 per cent and stand on a p/e of just over 8.

# Robertson Foods facing tough year with confidence

Although the current year will again be a tough one for **Robertson Foods**, Mr. R. C. Robertson, chairman, says he is confident that further progress will be achieved.

Although below the group's expectations profits improved from £2.58m to £2.89m in the year ended March 31, 1978. The chairman explains that the whole food manufacturing industry has experienced a most difficult 12 months for two main reasons—a fall of 4 per cent in overall food consumption and the squeeze on margins exerted by major retail customers fighting the high street war.

However the French vegetable canning subsidiary, Peny S.A., enjoyed another excellent year and sales of cereals are growing substantially as production at the Viota Foods factory at Bromborough in Cheshire comes on stream.

Reflecting increased overdrafts of £7.7m against £3.73m interest charges rose from £384,000 to £751,000. The extra money was required to finance the significant rise in the value of stocks from £11.82m to £16.19m.

The chairman explains that stocks remained high during the year due to the very mild autumn and early winter which allowed sales of cheap vegetables to continue until Christmas, effectively dampening demand for canned foods.

Turnover in the year amounted to £72.33m—split as to preserves 49.8 per cent; canned foods 16.4 per cent; breakfast cereals 13.8 per cent; dried fruits and cereals 9 per cent; cake mixes and dry desserts 7.9 per cent; and fruit drinks and juices 3.1 per cent.

Referring to the introduction of a share participation scheme for employees the chairman says that with the publication of the Government White Paper on the subject proposals can now be finalised and a scheme put to holders later in the year. If approved it is likely that the scheme would become effective from April 1, 1979.

Meeting, Beckenham, Kent, July 21, at 10.30 am.

A final dividend of 6.6p is forecast for a total of 12.6p against 11.35p last time. The asset value per capital share is shown at 293.7p.

## M&G Dual Trust ahead

Net revenue of M and G Dual Trust for the June 30, 1978 six months was £247,032 compared with £222,542 previously, and the interim dividend is lifted from 5p to 6p net per 10p share.

## Target is relaunching Coyne Growth

Target has now relaunched the ill-fated Coyne Growth Fund, whose management it took over 18 months ago at the request of the trustees, Midland Bank Trust Company. Having changed the name, with the approval of the unitholders, to Target Special Situations, it now proposes, under the investment direction of Mr. Denis Poll of Dawnay Day, to acquire shares in asset and take-over situations, recovery stocks and shares in regional companies. At the moment the fund is approximately 40 per cent liquid.

On the strength of the yield on the shares that they propose to buy, the managers are hoping to lift the yield on units in the fund from the present 4½ per cent to around 7 per cent over the next 18 months. The are also hoping that the fund—now worth some £75,000—will rise to a minimum of £200,000, and preferably to £1m, within the next 12 months. At the present level dealing costs are disproportionately high.

Target had intended to merge the Coyne Growth Fund with one of its existing funds, Mr. Tim Simon, chairman of the group, said yesterday. However, the new fund fills a gap in Target's range, and unitholders have been strongly in favour of the change.

## Electra keeps to investment policy

In his latest annual report Mr. Mrfi Alastair Roger, chairman of Electra Investment Trust, points out that the policy of making a speciality of investing in small listed companies, and in unlisted shares, is being maintained. The trust, one of Britain's biggest with total assets of £68.32m at the March year-end, held unlisted assets valued by the directors at £16.34m at that date. Almost 61 per cent of the portfolio was invested in the UK, and another 6.5 per cent in international shares with a London listing.

Mr. Roger tells shareholders that, as the company's interest in investing in special situations is becoming better known, more and more varied propositions are being received. This in itself, he points out, represents a potential danger, in that such situations require a great deal of management time in both selection and monitoring, and in consequence the investment managers are becoming more and more selective. Nevertheless, their commitment in principle to such investments — in the exception of an above average yield and a long-term high level of capital appreciationxremains unchanged.

Last year Electra's earnings rose by more than 15 per cent, and the dividend was raised by more than 16 per cent. Over the past 10 years, dividends have grown at 16 per cent compound.

## Good start for Amber Industrial

Current trading conditions at Amber Industrial Holdings indicate that the company will be able to maintain its new level of profit with perhaps some improvement, says Mr. J. A. Thomson, the chairman in his annual statement.

Pre-tax profits for 1977-78 rose 50 per cent to a record £361,338, as already known. Turnover was better at £3.03m (£2.45m).

The most significant advance in profit during the year came from Ambersil, which was achieved after deducting a larger loss on the German sales operation. Mr. Thomson explains that while this further loss is disappointing, the directors are inclined to persevere with this venture provided that such losses are not disproportionate to their assessment of the potential profit which may result.

Causeway Steel Products, although not quite attaining its record result of last yer, continued to show a very satisfactory return on the capital employed and March Cold Stores was able to benefit from the strong demand for cold storage capacity with a consequent improvement in profit, he adds.

The ultimate holding company is Caledonia Investments.

Meeting, Cayzer House, EC, July 24, at 2.30 pm.

# J. Bright in strong position

THERE IS no clear evidence as yet of a sustained recovery in demand for products of John Bright Group, says Mr. I. M. L. D. Forde, chairman, in his annual statement. The timing of this is still unpredictable, he adds, but he is confident that with its modernised capacity, the group should be in a strong position to reap the benefit when it comes.

As reported on June 1 the group finished the April 1, 1978, year with taxable profits more than halved from £1.25m to £506,000 on turnover little changed at £20.87m (£20.7m). The dividend is maintained at 2.42p per share.

On a CCA basis pre-tax profit is adjusted to £0.44m after depreciation £0.51m, cost of sales addition £0.43m and the gearing factor £12,000.

World demand for group products declined in the second half of the year and the pressure on profit margins increased in the highly competitive conditions created.

Trading conditions were affected by a sharp fall in the price of cotton during the first half and the value write-down of group cotton stocks resulted in a stock loss of £271,000.

Also the general swing to radial tyres caused a world decline in the demand for textile reinforcement used in tyres and in the autumn of 1977 Goodyear decided to buy a substantial part of its requirements from the continent, thus reducing the demand from British suppliers. In the light of this the group closed down its operation at Preston, costing over £98,000.

Sales of the industrial textiles division fell sharply in the latter half of the year and pressure on prices became severe. The spinning division was similarly affected. However, in a market which has been far from buoyant, sales of carpet yarn have been maintained at a satisfactory level, the chairman states, and plans are well advanced to increase productive capacity in this field.

Meeting, 100, Old Broad Street, EC, July 19 at 12.15 pm.

## WIRE & PLASTIC PICKS UP

In the current year Wire and Plastic Products had recovered from the slightly disappointing start, and sales to date now exceeded the corresponding figures for last year, the annual meeting was informed.

The board had every confidence that current levels would be maintained and that the dividend would at least be held.



# HICKING PENTECOST & CO. LIMITED

PRELIMINARY FIGURES

Results for the year ended March 31, 1978:

| | 1978 £ | 1977 £ |
|---|---|---|
| Turnover | 9,372,332 | 8,438,223 |
| Profit before interest and taxation | 671,757 | 471,321 |
| Interest | 71,344 | 50,791 |
| Taxation | 107,505 | 93,366 |
| Dividends | | |
| Interim 2.3354p (1977: 2.3p) | 59,587 | 58,684 |
| Proposed final 4.8643p (1977: 4.1438p) | 124,111 | 105,728 |
| | 183,698 | 164,412 |
| Net earnings per 50p Stock Unit | 19.32p | 13.84p |

* Profits improved by 42%.
* Dividend increased by maximum permitted.
* Knitwear exports increased by 50%.
* Annual General Meeting Thursday, 7th September, 1978.

# Trust Houses Forte Limited

## Interim Statement

for the half year ended 30th April 1978

| Trading Receipts and Profit | Half Year to 30th April 1978 £m | Half Year to 30th April 1977 £m | % Increase |
|---|---|---|---|
| Trading Receipts | 270·1 | 237.3 | 14% |
| Trading Profit | 19.8 | 15.2 | 30% |
| Profits less losses on sale of fixed assets and investments | — | 4.1 | |
| | 19.8 | 19.3 | |
| Financial charges | (7.4) | (8.8) | |
| | 12.4 | 10.5 | |
| Minority interest | (0.2) | (0.1) | |
| Profit before Taxation | 12.2 | 10.4 | |

The above figures are unaudited and include the full half year's profits for the hotels acquired from Lyons (1977—3 months) and Knott (1977—2 months). The 1977 profits include 5 months profit of Terrys up to its date of disposal.

The above profits are after charging depreciation of £6.9m (1977 £6.5m) but are before adjusting for taxation and currency translation differences.

Taxation for the half year to 30th April 1978 is estimated at £5.3m (1977—£2.4m).

The first half year's trading produces only a small proportion of the year's profit owing to the seasonal nature of our business. An encouraging start has been made and bookings are satisfactory. We look forward with confidence to another successful year.

The interim dividend has been increased to 2.85p per share (1977—2.25p) in respect of the year to 31st October, 1978 and this will be paid on 2nd October, 1978 to shareholders on the register on 4th September, 1978.

BIDS AND DEALS

# Econa suspended on talks

Shares of Econa, the Birmingham sanitary engineer, were suspended yesterday at 70p after the company announced that it had been involved in discussions which might lead to a bid being made for its shares.

This approach follows the sale of a 18½ per cent stake in the company at the end of last year by Walter Lawrence—the construction, engineering and plant hire group—to a number of institutional investors.

The name of the potential bidder has not been revealed and is unlikely to be so until at least the weekend. Econa which earned pre-tax profits of almost £700,000 in the year to March 31, 1977 showed group net assets of £3.4m.

### NORTHERN FOODS SHARES PLACED

Over 5m shares in Northern Foods have been placed with several institutional investors by the Samworth family, following NF's takeover of Pork Farms. The placing took place last Thursday and Friday when the NF shares were quoted at 94p.

Taking account of non-payable stamp duty, the discount was between 6 and 7 per cent. The Samworth family is retaining between 2.5m and 2.75m NF shares. It is understood that only a small proportion of Pork Farm shareholders opted for the cash alternative.

### WARREN PLANTS.

Warren Plantation Holdings, which recently paid £1.9m for Supara Investments which owns rubber an doil palm plantations in Indonesia, has sold its entire 18.08 per cent stake in Anglo-Indonesian Corporation. "Investment clients" are said to be the buyers.

The shares appear to be those which Warren acquired last October when Arbuthnot Latham sold its 20 per cent holding of Anglo-Indonesian. Rothschild Investment Trust and Old Court Commodity each have about 6 per cent of Anglo.

### SIMON ACQUIRES U.S. COMPANY

Simon Engineering has bought Krause Manufacturing of Milwaukee, Wisconsin, a company which manufactures and sells throughout the U.S., a range of self-propelled hydraulic man-lifts which complement Simon Engineering Dudley's current range of products.

The purchase price—$1.5m—is to be paid in instalments. Krause has a turnover of $5m.

### HARRIS & SHELDON TALKS OFF

Harris and Sheldon's share price slipped 3p to 30p yesterday as the company announced that talks with a mystery bidder had been terminated.

Last month the group whose interests range from sporting guns to lifts, announced that it had been involved in discussions which might have led to a bid. Yesterday, however, it announced that the potential bidder had decided in view of the uncertain economic outlook and rising interests not to pursue its approach.

### HME CLOSURE

Harrisons and Crossfield's offer for Harrisons Malaysian Estates will finally close on July 13, H and C's advisers Baring Brothers announced yesterday.

But already H and C has achieved a comfortable margin over the 51 per cent it needed for control of HME. By Tuesday Baring said that H and C already controlled more than 78½ per cent, having received acceptances from 88.49m shares (55 per cent).

### ASSOCIATES DEAL

On Tuesday, Rowe and Pitman, Hurst-Brown sold for a discretionary investment client 4,450 Thomas Tilling ordinary shares at 113p.

## SHARE STAKES

Rentokil Group—Mr. E. M. Buchan, director, has exercised rights to subscribe for 225,000 shares under share option scheme. Shares were sold in the market on the same day.

George Whitehouse (Engineering)—Mr. A. J. Cross, director, has acquired a beneficial interest in a further 1,000 ordinary shares making total beneficial interest 377,790 shares, of which 376,790 continue to be held by the Midland Northern Trust.

BSR—Mr. J. N. Ferguson, directors, has disposed of 30,000 ordinary shares

Provincial Laundries — announced on June 20 that non-beneficial interest of director, Mr. J. I. Goldring, in the shares held by Linnet Consulants and associates had been reduced to 10 shares as a result of the sale by Linnet of 40,538 shares. Mr. Goldring has notified the company that in fact the whole holding of 40,543 shares was sold and his non-beneficial interest therefore has been eliminated.

Racal Electronics — increased holding of ordinary shares in Adwest Group to 690,014 shares (8.06 per cent).

British Electric Traction—Mr. G. R. A. Metcalfe, director of Advance Laundries, has disposed of 30,000 deferred ordinary shares.

Highcroft Investment Trust—Mr. N. A. Smith, director, has disposed of 10,000 shares held in a beneficial capacity decreasing his interests to 42,625 shares. Kingerlee has acquired 10,000 shares in a beneficial capacity increasing shareholding to 212,998 (7.85 per cent) ordinary shares.

Danish Bacon—Equitable Life Assurance Society is beneficially interested in a total of 200,000 "A" ordinary shares (11.5 per cent).

British Petroleum — Phoenix Assurance is now the beneficial holder of £735,000 8 per cent cumulative first preference stock (10.16 per cent).

Wiggins Construction — Cee Walker and Slater holds 315,725 ordinary shares (9.7 per cent).

Marks and Spencer—Received notification of a disposal of 5,000 ordinary shares and purchases of 508,635 and 287 ordinary shares in which Mr. J. E. Sieff, a director has an interest as trustee.

Ch. Goldrei Fouchard and Son —Gedma Investments, now holds 115,000 ordinary shares together with the holdings in the names of the two directors, Mrs. M. A. Davies and Mr. G. E. Davies. Total figure of 120,000 represents just over 5 per cent of the ordinary capital.

Wace Group — Trustees of E. G. P. Wace (deceased) hold 62,092 shares (5.6 per cent).

Lindsay and Williams—Mr. P. Bennett of Security Growth has reduced his holding of 149,300 shares to 105,000 (10.1 per cent).

Minty—D. B. Thompson and family have increased holding to 65,992 (16.5 per cent) shares.

Hern-Consulate—M. A. Nachman has sold 10,000 ordinary shares and now holds 69,310 (4.90 per cent).

Deritend Stamping—Britannic Assurance has acquired a further 27,000 ordinary shares increasing holding from 11.32 per cent to 12.14 per cent.

Gartons—Antares has acquired 129,300 ordinary shares bringing total holding to 139,500 (6 per cent).

Sun Life Assurance—Kuwait Investment Office has increased its interest to 5m (8.68 per cent) shares by purchase of 100,000.

Elswick-Hopper—Sir R. Carr-Ellison, a director, has sold 100,000 ordinary shares registered in the name of the Carr Ellison Estates.

## 'Strengthen law on shoplifting'

RETAILERS should be given powers to detain suspected shoplifters and have complete protection against claims for wrongful arrest, it was suggested yesterday at a security and protection exhibition conference at Leicester.

Mr. Frank Pegg, a security expert and Home Office lecturer, told retail executives and security personnel: "The retailer or store detective has no option but to arrest shoplifters, and often the thief gets away because the retailer is afraid to do this for fear of the legal consequences of making a mistake."

## Ilfracombe bid to draw jobs

A BROCHURE designed to "sell" a new industrial site at Mullacott, two miles from the centre of Ilfracombe, is being launched next week. It will be circulated to industrialists with the help of the CBI, the Department of Industry, Devon County Council and North Devon District Council and will be supported by an advertising campaign.

Ilfracombe has 21 per cent of the working population unemployed, compared with the national figure of 5.7 per cent.



MINING NEWS

# Ergo moving forward with confidence

BY KENNETH MARSTON, MINING EDITOR

"PROSPECTS FOR the current financial year remain good," says Mr. Harry Oppenheimer in the first chairman's statemen of East Rand Gold and Uranium (Ergo), the brilliantly conceived project for extracting at a good profit the gold, uranium and acid content of South Africa's old mine waste dumps.

Ergo formally came to production in February of this year, only two years after the decision to proceed with the project. Inevitably, there have been some teething troubles and full rated monthly output of approximately 380 kilograms (18,647 ounces) gold, 16.5 tonnes of uranium and 44,000 tonnes of sulphuric acid will now be reached nearer the end of 1978, a few months later than earlier forecast.

The previously projected capital cost of R140m (£87.5m) is also expected to be exceeded, but only by R5m. And it will be recalled that Ergo's prospectus last November estimated that the capital expenditure could be recouped within five years from the start of production.

The company also anticipated a "substantial" profit for the current year to next March and a first dividend of 25 cents for the year with a doubling of this rate in 1979-80. These projections were based on a gold price range only of $120 to $130 per ounce (the project's break-even price was given at $80) and so the slightly delayed attainment of full production seems unlikely to adversely affect the dividend expectations.

Unlike a conventional mining operation, Ergo operates with a relatively small number of employees and has been able to avoid reliance on migrant labour. Mr. Oppenheimer says that the company has developed a non-discriminatory personnel and industrial relations policy for black and white employees "to the extent permitted by existing legal constraints" and a unified wage scale has been introduced.

### ENDEAVOUR DEAL WITH ULTRAMAR

Australia's Endeavour Resources has concluded an agreement with an affiliate of Ultramar which allows the latter to earn half Endeavour's interest in the Mariut Block, Egypt. Ultramar will carry Endeavour at no cost through the next $1m (£540,000) of expenditure which will include the drilling of two wells.

At the end of that period Endeavour's interest in the oil and gas venture will be 9 per cent and the interest held by other participants will be: Murphy Oil 50 per cent, Ultramar 25 per cent, AAR Limited 13.5 per cent, Gulfstream Resources 2.5 per cent.

Further seismic surveys are planned to commence at the end of this year and drilling is planned for the latter half of 1979. Endeavour shares were 2p up at 22p yesterday.

## S Crofty keeps its promise

THE CORNISH tin-producing South Crofty has fulfilled its profits and dividend forecasts for the year to March 31. Pre-tax profits have advanced to £2.18m from £1.48m while the tax charge has increased to £949,438 from £679,347. This leaves earnings of 8.22p per share out of which a final dividend is declared of 2.475p which makes the forecast total of 4.125p.

The latest results reflect the high price of tin which on the London Metal Exchange averaged £6,171 per tonne over the past year compared with £4,886 in 1976-77. It was £6,717 yesterday. South Crofty's production of tin concentrates was little changed at 2,211 tonnes against 2,207 tonnes.

Crofty's major shareholder is the Saint Piran group with a stake of 65 per cent, having sold the remaining 35 per cent via a public offering of the shares last year. Offered at 50p they soared to 88p before boiling over. They were unchanged at 60p yesterday.

### UTAH DECLARES FORCE MAJEURE

Utah Development yesterday declared force majeure on coal deliveries owing to strikes at its four central Queensland operations. A spokesman stated that it is impossible to say when the force majeure will be lifted after the men return to work.

The strike, which began on June 19, will continue until next Monday at least. The last available coal for shipment is being loaded on to a Japanese vessel at the port of Gladstone. Most of the coal from the mines goes through Hay Point, where stocks are nearly exhausted.

The coal miners are in dispute over a pay claim. They are seeking a higher percentage of wages paid above industry award rates.

Utah ships about 300,000 tonnes of coal a week from its Queensland mines.

Utah Development is part of the General Electric group, but 10.8 per cent of its stock is held by Australian investors through Utah Mining Australia, whose shares yesterday were 375p, down 15p.

### ROUND-UP

The Australian coal producer Clutha Developments, increased its net income by 27.7 per cent on 1977 to A$29.6m from A$23.2m the previous year. Clutha is jointly owned by the Ludwig Institute for Cancer Research and British Petroleum.

* * *

A group of dissident shareholders in Afton Mines, the Canadian copper producer, plans to seek an injunction in the Supreme Court of British Columbia to prevent completion of a capital reorganisation and refinancing programme. The dissidents hold about 13 per cent of the Afton shares and are led by Mr. D. L. Price.

* * *

Inco Metals has proposed to the United Steelworkers of America that present arrangements covering hourly-paid employees at Sudbury and Port Colborne in Canada should continue for a further year. The suggestion was made against the background of a depressed nickel market and follows extensive lay-offs last February.

* * *

Elandsrand Gold announces that, of the 25.16m shares offered at R3.05 per share, subscriptions have been received for approximately 99.3 per cent. The balance of approximately 0.7 per cent will accordingly be subscribed for in terms of the underwriting agreement. The offer closed on June 23. Certificates in respect of shares subscribed will be posted to applicants on or about July 14.

# Portsmouth & Sunderland circulation buoyant

Heavy promotion campaigns at Portsmouth and Sunderland Newspapers together with an improvement in the content and design of most of the group's newspapers has resulted in buoyant circulation, Sir Richard Storey, the chairman says in his annual report.

A major aim now is to regain the previous level of household coverage and achieving this target would mean that, with population growth in the group's three areas, a significant increase in circulation would be achieved.

The volume of advertising in each of the company's evening newspapers continues to rise; and the chairman is more confident that advertisers are willing to pay enhanced rates for provincial newspaper space than that readers are prepared to pay frequently rising cover prices.

Each of the evening newspapers is now selling for slightly less than many others in the country, and advertising rates have been increased by as much as was thought reasonable.

"Of course optimum use of modern technology would help stabilise both cover prices and advertising rates," says Sir Richard.

For the year ended April 1, 1978, pre-tax profit rose from £1.36m to £1.93m. The dividend is 3.13507p.

The financial results are undoubtedly good, Sir Richard says. The large capital investment in the south is now beginning to earn a proper return, while the present trend in advertising volume and newspaper circulation is encouraging. It is, however, salutary to note that the first current cost accounting statement shows a profit before tax of £1,554,000.

In their report, the auditors state that in the following respects the accounts do not comply with the requirements of the relevant statements of Standing Accounting Practice:

Profits and losses on sale of fixed assets have been taken direct to reserves and not dealt with in the profit and loss account:

Regional development grants have been taken direct to reserves and accordingly are not being credited to profit and loss account over the expected useful lives of the assets concerned.

Management has continued negotiations with the production unions to enable the most modern composing techniques available to be used at The News Centre, Portsmouth. Some of the new equipment has been installed and it is hoped that the rest will follow soon.

At the Mail, Hartlepool, a programme of modest development has been started to improve working conditions for the staff and raise the quality of the paper so that the profit from this office may be increased.

Two of the radio stations in which the company has an interest—Metro Radio (Tyne and Wear) and Radio Tees (Teesside) have begun to produce small profits, and the third, Radio Victory (Portsmouth) is moving towards profitability.

Meeting, Sunderland, July 21, at 12.30 p.m.

### MINING BRIEFS

GOLD AND BASE—Output of concentrates 455 per cent grade for May: tin 27 tonnes, columbite nil. Five months ended May 31: tin 137 tonnes, columbite 1 tonne. Same period last year: tin 152 tonnes, columbite 3 tonnes.

## More prizes for safety films

TWO Central Office of Information films on drinking and driving, prizewinners at the London Television Advertising Awards in April, took the top and third prizes in their class at the 25th International Advertising Film Festival in Cannes. A third commercial was also an award winner.

The awards went to What Do We Do With the Drunken Driver?, The Difference and Outside Loo.

## Factory growth boosts jobs

FIFTY NEW jobs are expected to be created when the Development Board for Rural Wales builds a £223,100 extension to the Llandrindod Wells factory of Setten and Durward, letterfiles manufacturers.

The extension will provide 13,500 sq ft of new space. The company hopes to be using the extension by the middle of next year. It now employs some 220 people at Llandrindod Wells.

# BPB again turns in £27m: repaying pref. at 95p

AS INDICATED at the half-time stage, pre-tax profits of BPB Industries were little changed at £27.25m for the year to March 31, 1978, compared with £27.15m for 1976-77. Sales increased from £243.24m to £274.63m.

In October, when reporting mid-way profits of £14.92m (£14.45m), the directors expected the full-year figure to be at about the same level as the previous year.

At the AGM on July 28, proposals are to be submitted to preference and ordinary shareholders for the cancellation of the preference share capital on terms that holders of the 303,664 5.6 per cent cumulative preference £1 shares will be paid 95p per share.

In accordance with ED 19, UK tax for the year takes £5.99m (£4.39m) and overseas tax £1.9m (£2.88m). Basic earnings are given as 44p (45.2p) per 50p share and a final dividend of 3.824p raises the total payment from 6.879p to the maximum permitted 7.624p net.

An analysis of sales and profit of £25.36m (£25.25m) shows (in £000's): building material etc.—UK £129,198 (£112,512) and £14,662 (£13,274), Canada £32,124 (£22,663) and £1,337 (£1,203), France £56,949 (£47,983) and £3,045 (£3,675), Republic of Ireland £10,638 (£9,066) and £1,474 (£891); paper and packaging—UK £65,225 (£61,417) and £7,086 (£6,714) and Netherlands £10,049 (£7,999) and £2,240 loss (£503 loss). Intra-group sales amounted to £30.45m (£26.4m).

New housing completions during the year were down on the previous year and the growing use of plasterboard for internal linings and partitions was offset by a decline in sales for non-housing construction. Profitability in the gypsum division increased due to improved efficiencies resulting from the ongoing capital expenditure programme of recent years, the directors say.

The relatively steady demand for plasterboard liner enabled the UK paper and packaging subsidiary marginally to increase its turnover and profits. During the year this company embarked on a £9m project for the modernisation of the board mills at Aberdeen.

Expenditure on fixed assets was at a record level of nearly £23m and further commitments totalling £47m include a glass fibre insulation plant in the UK and a new plasterboard plant in Canada.

| | 1977-78 £000 | 1976-77 £000 |
|---|---|---|
| Sales | 274,628 | 243,237 |
| Depreciation | 9,482 | 7,757 |
| Interest | 3,172 | 2,561 |
| Profit | 25,364 | 25,254 |
| Share of assocs. profits | 1,886 | 1,895 |
| Profit before tax | 27,250 | 27,149 |
| UK tax | 5,999 | 4,390 |
| Overseas tax | 1,597 | 2,885 |
| Net profit | [illegible] | 19,874 |
| To minorities | 39 | 102 |
| Extraordinary debits | 158 | 171 |
| Attributable | 19,109 | 19,601 |
| Preference dividends | 17 | 17 |
| Ordinary dividends | 3,354 | 3,006 |
| Retained | 15,738 | 16,578 |

### ● comment

BPB's virtually unchanged profits fall into line with the company's mid-term projection. But some analysts had been hoping for a little more and the shares fell 3p to 207p. More than half group profits come from UK building materials, and although sales of plasterboard were down six per cent in volume, overall margins in this division were more or less maintained. Losses from the new chipboard machine, however, totalled £1.5m, due to low demand and competition from cheap imports. Profits from the French company fell 17 per cent as a result of price controls. But these restrictions have now eased and since plasterboard has less market penetration in Europe than in the UK, growth potential here looks promising. Losses from the Netherlands are four times greater than previously but BPB expects to break even in the current year. With a £0.72m write off denting the contribution from associates, the group has had a number of largely peripheral difficulties to contend with. Nevertheless BPB's UK base is solid and with both private and public housing starts on the increase, profits should start to move again this year. The shares stand on an undemanding P/E of 4.6 and yield 5.7 per cent.

## Final half downturn at Somic

Profits before tax of Somic, kraft paper spinner and weaver, fell from £205,476 to £163,591 in the year ended March 31, 1978. Turnover amounted to £2.09m against £1.84m.

First half profits had shown a 10 per cent rise to £88,401 but the directors said then that they did not consider this to be satisfactory as turnover had increased by 25 per cent. Some of the lack of profitability could be attributed to the introduction of new products, they added.

An unchanged final dividend of 1.4566p makes a maintained total of 2.3228p for the year. Earnings per share are shown as 3.754p (4.838p).

Tax takes £88,506 (£108,714) leaving net profit at £75,085 against £96,762.

## Silentnight confident

Shareholders of Silentnight Holdings could look to future growth in earnings, chairman Mr. Tom Clarke said at the annual meeting. Group cash flow was strongly positive, he said, and the net worth of the business was being improved all the time.

Mr. Clarke also told shareholders it was clear that group trading profits before tax to the half year ending July 31, 1978, would be significantly ahead of the equivalent period last year.

To ensure continued future growth in earnings, the Board had already approved capital expenditure exceeding £2.5m.

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

**NORTH AMERICAN NEWS**

## Petro-Can opts out of Husky bid

BY ROBERT GIBBENS

MONTREAL, June 28.

THE NATIONAL Oil Company, Petro-Canada to-day dropped its C$572m cash bid for Husky Oil and Mr. Robert Blair, the man who was active in the decision on the Alaska Highway gas pipeline route last year, has emerged as effectively the largest single shareholder of Husky.

Albert Gas Trunk Line (AGTL), headed by Mr. Blair and the largest gas transmission company in Alberta, confirmed last night that it had continued buying Husky stock in the open market on Tuesday and now held 35 per cent of the 11m Husky shares outstanding.

This came only 24 hours after AGTL revealed that its holdings in Husky had grown from 4 per cent to 23 per cent since the first week in June. On Monday, the market price in Canada of Husky shares reached a high of C$53. On Tuesday, after AGTL revealed that it had 23 per cent of the Husky stock, the price fell back to around C$47 in the market, as doubts spread that Petro-Canada would go ahead with its promised C$52 a share offer.

Today, Petro-Canada said it would not go ahead with its offer, because of the major purchase of Husky stock by AGTL. Trading in Husky was halted for dissemination of this news. Husky also trades on the American Stock Exchange in New York.

Petro-Canada claimed that many of the AGTL purchases were made in the market at a level above its bid of C$52. However, yesterday AGTL could have bought the shares for considerably below that level. Petro-Canada also said AGTL had indicated that it may buy more Husky stock.

The 35 per cent holding of AGTL considerably outweighs that of the previous controlling group — the Nielson family of Cody, Wyoming. The Nielsons had earlier accepted a share-exchange bid from Occidental Petroleum of the U.S., equal to about C$54 a share, subject to 80 per cent acceptance. It now appears that AGTL, possibly with agreement of Ottawa and the Alberta Provincial Government, has effectively blocked the Occidental bid.

AGTL and Mr. Blair, with the help of some Western Canadian oil and gas interests, last year succeeded in getting the US $11bn Alaska Highway natural gas pipeline route accepted to move Alaskan gas through Canada to mid-West U.S. markets. AGTL is the main sponsor of the Canadian section of the line.

Questions have been raised about the delays in the financing. How AGTL is financing its acquisition of Husky stock is not clear. Nor are its intentions for the future of Husky, and its heavy oil reserves in South West Saskatchewan.

Husky, with assets of well over C$600m, is an exploration production and marketing company with two-thirds of its operation in Canada, and one-third in the U.S. It claims 16bn barrels of heavy oil in place in its permit areas in the Lloydminster area of South West Saskatchewan. It has been producing on a small scale from these reserves for many years. The issue in the takeover of Husky control has centred on further development of these reserves through tertiary methods and installation of a C$500m upgrading plant.

Reports from New York claimed that Pershing and Co., New York brokers, bought most of the 1.7m Husky shares traded on the American Stock Exchange on Monday. Pershing usually acts on behalf of other investment firms. In Canada, Occidental Petroleum has been represented by Burns Fry, working with Occidental's U.S. agent Kidder Peabody.

Dominion Securities, a major Canadian national investment house, was a big buyer of Husky stock last week in Toronto and may have been acting for AGTL.

A document filed with the SEC in Washington revealed that up to June 26 AGTL spent C$127m in acquiring Husky stock, mostly borrowed from the Bank of Montreal and the Bank of Nova Scotia.

## Texas oil pricing investigation

HOUSTON, June 28.

THE Federal Bureau of Investigation says that numerous agents, along with an assistant U.S. attorney, have been in Houston investigating several oil companies on suspicion that they may have been pricing old oil as new oil over a period of five years.

The agency declined to name any of the companies involved in the probe. The investigation was said to involve the alleged practice by certain oil companies of unlawfully inflating the price of old oil, which sells at about $8 a barrel, to the price of new oil, which sells for about $14 a barrel.

Certain oil companies were alleged to have accomplished the price change through paper middlemen made to look like intermediaries in the sale of oil by refiners to distributors.

In Houston the FBI said that "if what we feel as investigators is true here, then this is just the start." The agency declined to estimate the amount of money involved in the alleged scheme, but a source familiar with the investigation said that, on a nationwide scale, it could involve up to $1.1m a day.

AP-DJ

## Eurocurrency lending rises to record levels

BY DAVID LASCELLES

NEW YORK, June 28.

LENDING IN the Eurocurrency and international bond markets reached record levels in the first half of 1978, but the trend in spreads continues to narrow towards the half a per cent level, Morgan Guaranty reports in the latest issue of its World Financial Markets.

The Bank estimates that publicised new borrowings reached about $50bn between January and June this year, up 45 per cent on the same period last year. Most of this was in the medium-term syndicated Eurocurrency market, where new bank credits amounted to $33bn, nearly double last year's $18bn. International bond issues, by contrast, rose only slightly from $17.1bn to $17.3bn.

The industrial countries accounted for 56 per cent of new borrowing, but large increases were registered by Canada (to $7bn), Australia, Italy, Greece, Ireland and Yugoslavia. By contrast, French and British borrowing declined in line with their improved balance of payments.

Borrowing by the non-oil developing countries, led by Mexico and Brazil, was sharply up to nearly $13bn, while the OPEC countries' borrowing rose by $2bn to $5.6bn.

Although borrowing by the Communist countries increased slightly to $1.9bn, their market share remained about the same at 4 per cent, thanks to the improvement in their trade with the West. But Morgan Guaranty says that their deficit remains large, and there is a need to refinance growing amounts of external debt falling due. The main borrowers were East Germany, the Soviet Union, Poland and Hungary.

Lending rate spreads during the six months on medium-term loans to prime borrowers dropped below 1 per cent over LIBOR (the London interbank offered rate) and in some cases reached ¾ to ⅝ per cent. At the same time, maturities continued to lengthen, with a few extending up to ten years.

Among the reasons for this Morgan Guaranty notes the improved creditworthiness of several borrowers and the wide availability of funds. It also says it is too soon to state whether spreads have stopped narrowing, though there is strong resistance to breaking the ½ per cent barrier.

These good conditions for borrowers have prompted many of them to pay off old debts earlier and refinance them on more favourable terms.

## Inspiration Holdings offer

NEW YORK, June 28.

INSPIRATION HOLDINGS, owned indirectly by Hudson Bay Mining Smelting of Cadana and Minerals Resources Corporation of Bermuda, has instituted an offer to purchase any and all shares of Inspiration Consolidated Copper for cash at $33 per share.

Inspiration Holdings currently owns 39 per cent of the outstanding shares of Inspiration Consolidated Copper. The offer is to expire on July 17 unless extended.

Mr. John B. Howkins, president and chief executive of Inspiration Consolidated Copper, said today that at yesterday's Board meeting Inspiration's directors had repeated their intention neither to recommend nor oppose the cash tender offer being made by Inspiration Holdings.

AP-DJ

### Anderson Clayton

The commodities trading company, Anderson Clayton, achieved a net Cruzeiros 4.4bn ($345.8m) operating revenue in 1977—40 per cent higher than in 1976 reports Diana Smith from Rio de Janeiro. Gross profit of Cr 1.1bn ($61.4m) was 26 per cent of billings: net profit was Cr 2,381m ($13.3m)—a nominal increase of 25.2 per cent over 1976.

Net assets rose from $33.6m at the end of 1976 to $48.4m —a 45.4 per cent increase.

## Electronic banking finds favour

BY OUR OWN CORRESPONDENT

NEW YORK, June 28.

A SURVEY of U.S. consumer attitudes towards electronic funds transfer services (EFT) offered by American banks reveals today that fewer than half those questioned were aware of their existence. Of those who had come across them, 38 per cent thought they were a good thing, 24 per cent thought they were bad, and the rest had no opinion.

The survey, by Cambridge Reports, was commissioned by the Electronic Money Council, a multi-industry group bringing together banks and other organisations connected with EFT, the generic term for the new electronic gadgetry which banks are introducing to improve retail banking.

Although these results were perhaps more disappointing than the Council might have hoped, the survey did show that EFT has higher acceptance among the young, among people who make big use of financial services, and among opinion leaders. Furthermore, respondents who were not familiar with EFT were generally interested in using at least one of the services available once these had been explained to them.

The most popular services were the automatic teller machines, point-of-sale cheque and credit card authorisation machines and in-store banking.

In presenting these results, Mr. James Smith, the Council's co-chairman and a senior executive of the First Chicago Corporation, said that opinion research combined with the banks' own experience show that people like the use EFT once they have the chance to become familiar with its benefits and safeguards.

But he acknowledged that EFT had received a generally hostile reception in the U.S. press, and he said that a wide-ranging public education programme was necessary to build up consumer understanding.

### Baltimore Gas earns more

INCREASED PROFITS are registered by Baltimore Gas and Electric, AP-DJ reports. Net profits for the year ended May 31 last amounted to $116.5m, or $3.23 a share, against $103.1m or $2.86 a share previously.

Revenues totalled $861.9m, compared with $792.5m, the previous year.

### Olympia York unit loan

O. Y. EQUITY, a U.S. unit of Olympia York Developments, has borrowed $41m from Royal Bank of Canada through the bank's U.S. agent, AP-DJ reports from Toronto.

Proceeds will be used to finance the acquisition of a building at 466 Lexington Avenue in New York and two Penn Central-owned properties on Park Avenue.

**EUROBONDS**

## Indo-Suez $30m issue

BY OUR FINANCIAL STAFF

THE EUROBOND market was alive with rumours yesterday predicting large issues for several major banks, including Chase Manhattan.

One issue was announced — $30m for Indo-Suez. This offers a quarter of a point over LIBOR for a seven-year maturity with a minimum rate of 5½ per cent.

According to agency reports, other issues which emerged yesterday include a DM 25m placement for the South African Railways and Harbours Board offering 8 per cent at an indicated price of 99½ per cent, and a Lux FFr 250m offering for BAT International Finance. This reportedly offers 8 per cent for 10 years via Kredietbank.

### AMC-Renault talks

American Motors Corporation still hopes to complete negotiations on a joint car distribution and production agreement with Regie Nationale des Usines Renault the French car maker "in the not too distant future" AMC's chief executive officer said in Toledo, reports AP-DJ. Mr. Gerald C. Meyers, AMC's president said that, while an agreement still has not been reached "the discussions are going on and they are going well. We are optimistic." He declined to elaborate on the talks or any issues involved however.

### Philips Industries

Philips Industries predicted that sales for the second quarter would be greater than $70m, up from $62.7m a year earlier, reports AP-DJ from Dayton. Mr. Jesse Philips, chairman and chief executive, told the annual meeting that earnings per share for the second quarter should be about 40 cents compared with 35 cents. Mr. Leonard Reardon, vice president-finance, forecast net earnings for the second quarter of about $3.5m compared with $2.2m.

### Louisiana Pac. deal

Louisiana Pacific Corporation has reached agreement with the FTC that allows the approximate $60m merger of Fibreboard Corporation with a unit of Louisiana Pacific without a court challenge from the FTC, reports AP-DJ from Portland. The merger is effective immediately. A condition of the agreement with the FTC is that Louisiana Pacific divest all interest in Fibreboard's medium density fiberboard plant within two years, and that Louisiana Pacific refrain for a ten year period from acquiring without FTC consent particleboard or medium density fiberboard production facilities.

## Non-industrial profits surge

BY JOHN WYLES

NEW YORK, June 28.

THE PROFITS surge enjoyed last year by large non-industrial companies in the U.S. is confirmed today by a survey which found a strong across-the-board earnings record with a less than expected decline from the record profit increases registered in 1976.

The securities industry proved to be the only sector of serious weakness, largely because of declining revenues and a falling stock market. However, non-industrials generally benefited from higher rate increases for insurances companies and utilities, a record number of people in employment and rising consumer demand for retail goods and transportation.

The results have been collected by Fortune magazine, which annually complies lists of the fifty largest companies in six non-industria lsectors. The sector-by-sector breakdown is as follows:

Commercial Banking: In assets Bankamerica Corporation and Citicorp were again the first and second largest in a group whose profits rose in 1977 at the fastest rate in four years, 12.2 per cent. Aggregate earnings for the top fifty banks amounted to $3.3bn, while deposits rose by 13.5 per cent, more than twice the previous year's increase, to $521.2bn. Loans made by the banks tripled the 1976 rate of increase and were up 14.8 per cent to $380.7bn.

Life Insurance: Companies in this group do not report net income but the 10.1 per cent rise in life insurance issued last year was the highest annual increase in 20 years. At the end of the year, the 50 largest companies had issued $1.8 trillion (million million) of insurance and their total assets had risen 8.3 per cent to $278.1bn. Prudential widened its lead over second ranking Metropolitan for the fourth year in a row.

Diversified Financial: Profits leaped by 53.4 per cent last year to $4.1bn following a record 63.2 per cent increase in net earnings the year before. Gross revenues were up 12 per cent to $56.5bn. While brokerage companies suffered a large drop in profits, property and casualty insurers and savings and loan associations did well. Aetna Life and Casualty and Travellers Corporation remained the top two.

Retailing: Retailers had their strongest sales growth since 1974 at 9.6 per cent. Aggregate sales were $145.3bn. Profit margins, however, remained slim with the fast food chain, Macdonalds, turning in the best ratio of profits to sales — 9.9 per cent. Sears Roebuck and Safeway Stores, again occupied the top two slots.

Transportation: Profits of the fifty largest rose 25.3 per cent thanks to fare increases, favourable tax legislation and extra airline traffic. Aggregate earnings were $2.3bn and operating revenues rose 14 per cent to $47.8bn. On a sales ranking the top two were Trans World Airlines and UAL.

Utilities: State regulatory bodies tolerated considerable rate increases. Assets rose 9.1 per cent to $275.6bn, operating revenues rose 13.1 per cent to $107.3bn and net income 15.9 per cent to $11.7bn. Overall performance was aided by AT and T's 18.6 per cent increase in earnings. This giant accounts for 34 per cent of the group's assets and operating revenues and 38 per cent of its net income.

# Major reorganisation of Alfa Romeo management

BY PAUL BETTS

ROME, June 28.

IRI, Italy's giant state holding company, announced today a top management and financial reconstruction for its troubled Alfa Romeo and Alfa Sud car manufacturing subsidiaries.

The two car plants—one in the North near Milan and the other in the South near Naples—are expected to report in the next few days overall losses of L149.3bn, or about $174m for the past year.

The losses of Alfa Sud are put at L99.5bn, while the northern company lost L49.8bn. The two companies, entirely controlled by IRI, lost L48.4bn in 1976.

IRI named today Sig. Ettore Massacesi, the current chairman of the state holding company's labour relations organisation, Intersind, chairman of the Alfa Romeo-Alfa Sud group. His appointment follows the resignation of the former chairman, Sig. Gaetano Cortesi, who was given a suspended sentence of 40 days' imprisonment by a Milan magistrate on alleged charges of breaching Italy's rigorous national workers statute.

Sir. Cortesi resigned partly in protest against the magistrates' decision, but he is also understood to have faced increasing internal difficulties inside his own group. The IRI Board had repeatedly asked him to reconsider his decision to resign.

The state holding company also appointed today a new Alfa Romeo managing director. He is Sig. Corrado Innocenti, the former director general of the IRI Aeritalia aerospace group.

At the same time, IRI intends to recapitalise Alfa Romeo and partially recapitalise Alfa Sud. Both companies have increasingly faced mounting losses and indebtedness, at the same time as being plagued with deteriorating labour relations and low productivity.

Meanwhile, AP-DJ reports that Aeritalia Spa., the state-owned aircraft manufacturer, made a net loss of L22.86bn in 1977 compared to a L20.44bn net loss in 1976. Sales fell 19 per cent. The company said that the loss was due to financing charges brought on by delays by the Government in paying for military aircraft built by Aeritalia. These charges came to L23bn.

# Losinger sees turnover drop

BY JOHN WICKS

ZURICH, June 28.

TURNOVER OF Losinger AG, Switzerland's leading construction company, is likely to decline from SwFr 490m last year to some SwFr 480m ($258m) in 1978, according to chairman Herr Vinzenz Losinger. While domestic turnover is seen as falling further to SwFr 288m from SwFr 305m this year that accruing from foreign business is expected to reach a new record by climbing to some SwFr 192m from 1977's SwFr 185m.

Herr Losinger told the annual general meeting that the board was assuming an end-of-year exchange rate of SwFr 1.80. This estimate anticipates a dollar rate of little above the all-time low of SwFr 1.77; at present, the rate is about SwFr 1.86.

Profitability is expected to be rather better in 1978 than last year, when Losinger profits fell below SwFr 40,000, causing the board to omit a dividend payment. However, Herr Losinger said the Berne-based company was far from earning good or even satisfactory profits.

In a separate development, the Swiss electrical and industrial equipment company W. Moor AG of Regensdorf has acquired a substantial holding in the Stuttgart-based company, Technoprojekt, also a manufacturer of products for industrial use. Moor's annual turnover rose to SwFr 37.5m last year and is expected to grow by a further 20 per cent in 1978, while Technoprojekt booked 1977 sales of some DM 10m.

## Danes to open gas sales talks

COPENHAGEN, June 28.

A. P. MOELLER, sole concessionaire for oil and natural gas exploitation in the Danish North Sea sector, has agreed to open sales negotiations for natural gas with the state-owned Dansk Olie et Naturgas (DONG).

The talks between the A. P. Moeller led consortium, Danish Underground Consortium (DUC), and DONG will concern the production of natural gas and the landing of it in Denmark.

Preliminary discussions have reviewed the possibility of economically justifiable natural gas production in the Danish Cora, Dan, Vern and Bent structures.

DUC and DONG estimates of known Danish North Sea gas resources have ranged between 60bn and 100bn cubic metres.

Agencies

## Andritz lifts dividend

BY PAUL LENDVAI

VIENNA, June 28.

THE LEADING Austrian engineering company Maschinenfabrik Andritz is increasing its dividend by 1 per cent to 7 per cent for 1977 and maintaining shareholders' bonus at 1 per cent.

Capital is to be increased by Sch 25m to Sch 125m. Incoming orders in the first half of 1978 were Sch 1.4bn, lifting total orders to Sch 3.5bn and providing enough of a workload for full capacity running until the second half of 1979.

Turnover last year rose by 3 per cent to Sch 1.3bn with 68 per cent of deliveries shipped abroad. Including subsidiaries in the U.S. and Spain, sales were up by 1 per cent to Sch 16bn.

Turning to the various sectors, the Board points out that pumps and water turbines were doing "particularly well." Capital spending last year was Sch 89m taking spending over the last three years up to Sch 260m.

Meanwhile, Austria's largest saving bank Zentralsparkasse der Gemeinde Wien is to become the first Austrian credit institute to establish a branch office in Italy. Dr. Karl Vak, director general, stressed that the branch, in Milan, will primarily promote access to the Italian market, business transactions by subsidiaries of Austrian companies and will intensify contacts with Italian credit institutes without, however, engaging in banking business.

He added that Italy is Austria's second largest trading partner with a share of 9.1 per cent in the exports total. The city of Milan was singled out for the location of the office—to be called "Z-bank—representaenz der Zentralsparkasse der Gemeinde Wien" — because "over 40 per cent of Italy's foreign trade goes via Milan."

# Boardroom reshuffle at KNP

BY CHARLES BATCHELOR

AMSTERDAM, June 28.

PLANS TO strengthen its top management following the takeover of the board and paper producer Kappa last year, are announced today by Kon. Nederlandse Papierfabrieken (KNP). KNP is now the largest paper manufacturer in Holland with sales of Fl 786m ($352m).

Including Kappa's figures for the last five months of the year, net profit in 1977 was Fl 1.4m ($630,000).

KNP has decided to appoint a five-man managing board to replace the previous board of directors of the major departments. Mr. E. Ten Duis will continue to head the company's top board together with three senior KNP managers and the fifth place will be filled from outside the company.

The acquisition of Kappa for Fl 27m ($12m) is part of KNP's plan to diversify in technically related fields. Kappa uses recycled paper for many of its products and this will reduce KNP's dependence on imported raw materials. KNP is setting up two product groups for printed paper and packaging.

# Alko of Finland boosts exports

BY LANCE KEYWORTH

HELSINKI, June 28.

ALKO, the State alcohol monopoly of Finland, reports that per capita consumption of alcohol in Finland in fiscal 1977 increased by 0.7 litres of pure alcohol to 6.38 litres. Expenditure on alcohol rose to FM 4.78bn ($1.12bn), which works out at 7.1 per cent of total private consumption and FM 1,010 per capita.

In spite of this the company was not satisfied with its result for the year. The profit was FM 339m ($79m) and it paid a dividend of 7 per cent (all but two of the shares are held by the State).

Profitability was unsatisfactory because the Government prevented it from increasing prices although costs rose. The revenue to the State from Alko in 1977 was FM 2.76bn, compared with FM 2.62bn in 1976, a nominal increase of 5.3 per cent but in real terms a decrease of 6.6 per cent.

Exports, including industrial ethyl alcohol and yeast, grew by 13 per cent to FM 27.8m. The Fob value of imports was FM 55.2m, an increase of 20.3 per cent on 1976. France headed the list of suppliers with FM 20.7m, followed by Britain with FM 10.4m.

# Greece in banking venture with Arabs

By Our Own Correspondent

ATHENS, June 28.

AN AGREEMENT was initialled here yesterday for the establishment of a Greek-Arab bank with a share capital of $15m. Arab interests will control 60 per cent of the bank, making this the first time foreign interests have been allowed to take a majority shareholding in a Greek bank. The deal requires Currency Committee approval.

Participating in the bank are the Kuwait Foreign Trading, Contracting and Investment Company, the Kuwait Investment Company, the Kuwait International Investment Company, and the Libyan Arab Foreign Bank. The 40 per cent minority shareholding will be held by the National Bank of Greece, the country's biggest commercial bank.

Mr. Constantine Mitsotakis, the Greek Minister of Co-ordination who initialled the agreement, said the bank will act as a vehicle for the speedy development of Greek-Arab economic ties and will become the bridge between Arab countries and the EEC.

Professor Angelos Angelopoulos, Governor of the National Bank of Greece, said the new bank will deal in off-shore banking operations, will make investments in Greece and abroad and will finance trade between Greece and Arab countries.

The creation of the new bank follows lengthy negotiations between Professor Angelopoulos and Arab banking institutions. The announcement comes on the second day of the Greek-Arab investment meeting (GAIM) being held in Athens with the participation of more than 100 Arab bankers and businessmen.

## Krupp Steel

Fried. Krupp Huettenwerke (FKH) told today's annual meeting that although the company's performance has improved, dividend payments will not be resumed in 1978, AP-DJ reports from Bochum. Since March, FKH has lifted itself from the red but the earnings position of the company is still only break-even or perhaps slightly in the black.

From Vancouver, Reuter adds that the parent company Fried. Krupp GmbH Industries is to buy the 50 per cent interest of its partner Great West Steel Industries in the joint venture CWS Krupp Industries of Alberta.

## Preussag sets target

The West German metals group Preussag is striving to break even this year after declaring neither profit nor loss for 1977, according to the managing board chairman, Guenther Sassmannhausen. He told the annual meeting that the company's results will have to improve by at least DM 55m this year if the goal is to be reached, Reuter reports from Hanover. Preussag's performance in the first five months of this year shows that the improvement has begun in some sectors, but the final result will depend on the development of metal prices, he added.

## Global Bank progress

GLOBAL BANK AG, in which International Westminster Bank of the UK purchased a 74.2 per cent interest in October 1977, reports a 12.4 per cent growth in total assets during 1977. At 31 December 1977, the balance sheet total was DM 657m and the bank had capital and reserves of DM 44m. The bank, in reporting an improved profit of DM 1.7m ($821,000) in 1977, expressed satisfaction with progress during the first five months of 1978. Last year the bank earned DM 700,000.

MEDIUM TERM CREDITS

# Mandate for $500m Mexican loan

BY MARY CAMPBELL, EUROMARKETS EDITOR

A MANDATE for the next major Mexican loan is expected to be formally awarded within the next few days. The loan will be $500m for the Banco Nacional de Credito Rural. The maturity will be five years and the margin payable over inter-bank rates one percentage point.

It is understood that five banks will be mandated equally to arrange the loan. They are Bankers Trust International (agent), Libra Bank (running the books), Lloyds Bank International, London and Continental Bankers, and Royal Bank of Canada.

The Kingdom of Morocco is expected to award a mandate soon for a loan of some $300m. It is understood that Morocco now only has one major offer on the table to consider, the other group of banks potentially bidding for the mandate having withdrawn. The offer still pending is thought to be $300m from a group of five banks—Bank of America International, Amsterdam Rotterdam Bank, Bank of Montreal, Chase Manhattan Ltd. and the German DG-Bank.

A maturity of about eight years is expected. The margin payable is not yet known but is expected to be above the ⅞ per cent on the last major Moroccan loan, $100m for the state phosphate company arranged by Abu Dhabi Investment Company.

The next Iranian borrower, following today's signing of the National Gas Company's (NGC) $300m ten-year loan, will be the National Petrochemical Company. The margin payable over LIBOR will be ⅞ per cent for the first five years and ¾ per cent for the last five years, the same as on the NGC loan. Iran Overseas Investment Bank is lead manager.

The Union Cement Company of Ras al-Khaimah (one of the smaller of the United Arab Emirates) has arranged the equivalent of $68m worth of 6½ year loans. The financing consists of a $25m syndicated loan offering a margin of 2 per cent over LIBOR with an 11.7m Kuwaiti dinar loan paying 9½ per cent. The loan is not guaranteed by the Emirate government which is however the major shareholder in the Union Cement with 78 per cent. The Abu Dhabi government owns 6.6 per cent.

The loan is to be used to finance a third cement kiln to produce 500,000 tonnes of the sulphur resistant type 5 cement thus doubling the company's current production capacity.

This is the first major syndicated loan to be arranged by Industrial Bank of Kuwait, which is lead manager together with Kuwait Foreign Trading, Contracting and Investment Company. Industrial Bank of Kuwait does not intend to compete for management positions in the market generally — this deal follows a decision to expand its industrial lending business outside Kuwait to the Gulf as a whole.

The Brazilian State of Minas Gerais is raising $60m over 10 years at a margin of 1⅞ per cent. The loan, which is guaranteed by Brazil, is being arranged by Chemical Bank and placed among six banks only, each taking $10m.

This is a heavy week for loan signings. Apart from Iran's National Gas Company, the Bulgarian Foreign Trade Bank's $100m six-year loan, for which Lloyds Bank International was lead manager, has been signed as also yesterday was Communauté Urbaine de Montreal's $250m 10-year loan. Chase was also lead manager for this while Merrill Lynch White Weld Capital Markets group acted as financial adviser to the borrower. Part of the proceeds of the loan are to go towards prepayment of a $200m loan arranged last July and the rest towards capital projects.

The Yugoslav company FENI is to raise $50m for an iron and nickel project in Macedonia. The loan offers a margin of 1⅞ per cent over seven years and arises from time and cost overruns on the project. The original cost of the project was some $187m and although mainly funded through export credits, a medium-term Eurocurrency loan was arranged for it in 1975. The increased cost is now scheduled at $30-40m, and the remainder of the new loan will go towards refinancing part of the older loan which are now becoming due for repayment. The managers of this new credit are Bankers Trust International, Chase Manhattan and Citicorp.

# Turkey and Norway in debt agreement

BY METIN MUNIR

ANKARA, June 28.

TURKEY and Norway today signed a debt rescheduling agreement here under which NKr 20m of past due Turkish debts to Norwegian suppliers, guaranteed by the Oslo Government, will be restructured.

The amount involved in the agreement, signed between the visiting Finance Minister, Mr. Per Kleppe, and his host, Mr. Ziya Muezzinoglu, is comparatively small, constituting a minute portion of Turkey's past due debts to suppliers of developed OECD countries.

However, it is of significance in that it is the first agreement Turkey has signed with its creditors under the framework of the umbrella restructuring agreement concluded between Turkey and the OECD in Paris last month. Each creditor state will sign a separate agreement with Turkey.

The total of Turkish debts for Government-guaranteed OECD supplies is $1.4bn.

Under the agreement with Norway, the NKr 20m will be paid over seven years, including a two to three year grace period, with an interest rate of 5.5 per cent. The interest rate was fixed in private talks between the two ministers.

The choice of Norway as the signatory of the first agreement was not coincidental. Norway is sympathetic to the new left-of-centre government of Prime Minister Bulent Ecevit.

"We support the social and democratic development effort which Mr. Bulent Ecevit has undertaken, and hope that other European states will also furnish support," Mr. Kleppe said.

Mr. Muezzinoglu said: "What is important is not volume but the terms of the agreement. The terms are favourable, but they can always be improved upon."

Next month, he said, similar agreements would be signed with West Germany, Turkey's biggest trading partner, Austria, Belgium, Italy and the U.S., which are also major trading partners.

Mr. Kleppe and Mr. Muezzinoglu also exchanged letters about NKr 300m of Norwegian project credits to Turkey. Of this amount, NKr 200m will be supplied by Norway's Eksportfinans for public sector projects including three power plants, radar equipment for the Dardanelles and the Bosphorus and the purchase of shipping equipment. The remainder will be placed with the Industrial Development Bank of Turkey for private sector projects.

Aside from these Norway was interested in the foreign financing of a public ferrosilisium project and the supply of drill ing equipment to the state owned Turkish Petroleum Company (TPAO). Agreement was also reached on investments by Norwegians in the tourism field.

Under a separate understanding, which may turn out to be significant, Norway has agreed to provide funds for projects and feasibility studies for three party industrial investments in Turkey (involving Turkey, Norway and Arab states) oriented for exports to the Middle East and the Gulf.

# Saudi Bank doubles capital

BY MICHAEL BLANDEN

SAUDI International Bank, the London-based international banking group in which the Saudi Arabian Monetary Agency holds a 50 per cent interest, has doubled its authorised capital to £50m.

The increase was announced in London yesterday by Sheikh Mohammed Abalkhail, the Saudi Minister of Finance and National Economy and chairman of the bank.

He said that the increase had been approved by the shareholders in order to support the bank's future expansion and to give it the opportunity to participate more actively in the major transactions of its expanding list of government and international corporate clients.

Saudi International was formed in August, 1975, with an authorised capital of £25m. Half of this was issued and fully paid on incorporation while the balance was paid up in May last year. The bank reported balance sheet total of £416m at the end of last year and is expected to show further growth in the half year figures due shortly.

Besides SAMA, the shareholders in the bank are National Commercial Bank, Jeddah, and Riyad Bank, Jeddah, each with 2.5 per cent. Morgan Guaranty of New York holds 20 per cent, while 5 per cent stakes are owned by Bank of Tokyo, Banque Nationale de Paris, Deutsche Bank, National Westminster and Union Bank of Switzerland.

## SELECTED EURODOLLAR BOND PRICES

### MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Alcon Australia 8½pc 1989 | 96½ | 97½ |
| AMEV 8pc 1987 | 95 | 96½ |
| Australia 8½pc 1992 | 92½ | 93 |
| Australian M. & S. 9½pc '92 | 96½ | 97½ |
| Barclays Bank 8¾pc 1992 | 94½ | 95 |
| Bowater 9½pc 1992 | 96½ | 97 |
| Can. N. Railway 8¾pc 1986 | 94 | 94¾ |
| Credit National 8¾pc 1986 | 93½ | 90 |
| Denmark 8½pc 1984 | 97½ | 98½ |
| ECS 9pc 1993 | 98¾ | 99½ |
| ECS 8¾pc 1997 | 93½ | 94½ |
| EIB 8¾pc 1992 | 97 | 97¾ |
| EMI 9½pc 1989 | 97¾ | 98¼ |
| Ericsson 8½pc 1989 | 95½ | 96 |
| Esso 8pc 1986 Nov. | 99½ | 100 |
| Gt. Lakes Paper 8½pc 1984 | 96½ | 97½ |
| Hamersley 9½pc 1992 | 99½ | 100½ |
| Hydro Quebec 9pc 1992 | 94½ | 95 |
| ICI 8¾pc 1987 | 95¾ | 96½ |
| ISE Canada 9½pc 1986 | 102½ | 103½ |
| Macmillan Bloedel 9pc 1992 | 93¾ | 94½ |
| Massey Ferguson 9¼pc '91 | 98 | 99 |
| Michelin 9¼pc 1988 | 100 | 100¾ |
| Midland Int. Fin. 8¾pc '92 | 94 | 94¾ |
| National Coal Bd. 8pc 1987 | 92½ | 93¼ |
| National Westmnstr. 9pc '86 | 99½ | 100 |
| Natl. Westmnstr. 9pc '86 'B' | 99¾ | 100¼ |
| Newfoundland 9pc 1989 | 98¾ | 99 |
| Nordic Inv. Bank 8¾pc 1988 | 96½ | 97 |
| Norges Kom. Bk. 8¾pc 1992 | 93 | 93¾ |
| Norpipe 8¾pc 1989 | 94¾ | 95½ |
| Norsk Hydro 8½pc 1992 | 94½ | 95½ |
| Oslo 9pc 1988 | 98½ | 99½ |
| Ports Autonomes 9pc 1991 | 97½ | 96 |
| Prov. Quebec 9pc 1995 | 93½ | 94 |
| Prov. Saskatchwn. 8¾pc '86 | 97½ | 98½ |
| Reed International 9pc 1987 | 92 | 94 |
| RHM 9pc 1992 | 91½ | 91¾ |
| Selection Trust 8¾pc 1989 | 90 | 91 |
| Shell Intl. Fin. 8½pc 1990 | 94½ | 95½ |
| Skand. Enskilda 9pc 1991 | 97 | 97¾ |
| SKF 8pc 1987 | 91½ | 92½ |
| Swedish (K'dom) 8½pc 1987 | 93¾ | 94¼ |
| United Biscuits 9pc 1989 | 97 | 97½ |
| Volvo 8pc 1987 March | 93¼ | 93¾ |

| NOTES | Bid | Offer |
|---|---|---|
| Australia 7½pc 1984 | 93½ | 94 |
| Bell Canada 7¾pc 1987 | 95½ | 96 |
| Br. Columbia Hyd. 7¾pc '85 | 91½ | 92½ |
| Can. Pac. 8¾pc 1984 | 96½ | 97½ |
| Dow Chemical 8pc 1986 | 98½ | 99 |
| ECS 7¾pc 1982 | 94½ | 95½ |
| ECS 8¾pc 1989 | 93½ | 94½ |
| EEC 7¾pc 1982 | 95 | 95½ |
| EEC 7¾pc 1984 | 94 | 94¾ |
| Enso Gutzeit 8½pc 1984 | 96 | 96½ |
| Gotaverken 7½pc 1982 | 95½ | 96½ |
| Kockums 8pc 1983 | 96½ | 97½ |
| Michelin 8¾pc 1983 | 98¼ | 98¾ |
| Montreal Urban 8¾pc 1981 | 98½ | 99 |
| New Brunswick 8pc 1984 | 96 | 96½ |
| New Bruns. Prov. 8¾pc '83 | 96¾ | 99½ |
| New Zealand 8½pc 1986 | 95½ | 96 |
| Nordic Inv. Bk. 7¾pc 1984 | 94 | 94½ |
| Norsk Hydro 7¾pc 1982 | 95½ | 96 |
| Norway 7¾pc 1982 | 94½ | 95 |
| Ontario Hydro 8pc 1987 | 93 | 93¾ |
| Singer 8¾pc 1982 | 99½ | 100½ |
| S. of Scot. Elec. 8¾pc 1981 | 97¾ | 98¼ |
| Sweden (K'dom) 7¾pc 1982 | 94¾ | 95½ |
| Swedish State Co. 7¾pc '82 | 93½ | 96 |
| Telmex 9½pc 1984 | 98¾ | 99½ |
| Tenneco 7¾pc 1987 May | 91½ | 92½ |
| Volkswagen 7¾pc 1987 | 93 | 93¾ |
| **STERLING BONDS** | | |
| Allied Breweries 10½pc '90 | 87½ | 88½ |
| Citicorp 10pc 1993 | 90½ | 91½ |
| Courtaulds 9½pc 1989 | 88½ | 89½ |
| ECS 9¾pc 1989 | 94 | 95 |
| EIB 9¾pc 1988 | 94½ | 95½ |
| EIB 9¾pc 1992 | 91 | 92½ |
| Finance for Ind. 9¾pc 1987 | [illegible] | 90½ |
| Finance for Ind. 10pc 1989 | 91½ | 92½ |
| Fisons 10½pc 1987 | 95 | 96 |
| Gestetner 11pc 1988 | 90½ | 91½ |
| INA 10pc 1988 | 90½ | 91½ |
| Rowntree 10¾pc 1988 | 87½ | 88½ |
| Sears 10½pc 1988 | 89 | 90 |
| Total Oil 9¾pc 1984 | 89 | 90 |

| DM BONDS | Bid | Offer |
|---|---|---|
| Asian Dev. Bank 5¾pc 1988 | 96 | 96½ |
| BNDE 6¾pc 1986 | 96½ | 97½ |
| Canada 4¾pc 1983 | 97¾ | 98½ |
| Den Norske Id. Bk. 6pc '90 | 99½ | 100 |
| Deutsche Bank 4¾pc 1983 | 97¾ | 98½ |
| ECS 5½pc 1990 | 94½ | 95 |
| EIB 5¾pc 1990 | 94½ | 95 |
| Elf Aquitaine 5¾pc 1988 | 94½ | 95 |
| Euratom 5½pc 1987 | 97¾ | 98½ |
| Finland 5½pc 1986 | 97½ | 98 |
| Forsmarks 5¾pc 1990 | 97½ | 99 |
| Mexico 6pc 1985 | 96 | 96½ |
| Norcem 5¾pc 1989 | 99½ | 100½ |
| Norway 4½pc 1983 | 99 | 99½ |
| Norway 4½pc 1983 | 97 | 97½ |
| PK Banken 5½pc 1988 | 96 | 96½ |
| Prov. Quebec 6pc 1990 | 97 | 97½ |
| Rautaruukki 5¾pc 1988 | 95 | 95½ |
| Spain 6pc 1988 | 98½ | 98 |
| Trondheim 5¾pc 1988 | 96 | 96½ |
| TVO Power Co. 6pc 1988 | 96½ | 97½ |
| Venezuela 6pc 1988 | 96½ | 97½ |
| World Bank 5½pc 1990 | 97½ | 98½ |
| **FLOATING RATE NOTES** | | |
| Bank of Tokyo 1984 8¼pc | 99½ | 100 |
| BFCE 1984 8¾pc | 99½ | 99¾ |
| BNP 1983 8 11/16pc | 100½ | 100½ |
| BQE Worms 1985 9pc | 98½ | 99 |
| CCF 1985 8¾pc | 99 | 99½ |
| CGMF 1984 8 11/16pc | 99½ | 99½ |
| Creditanstalt 1984 8¾pc | 99 | 99½ |
| DG Bank 1982 9pc | 100 | 100¼ |
| GZB 1981 8 11/16pc | 99½ | 100¼ |
| Intl. Westminster 1984 8pc | 99½ | 99¾ |
| Lloyds 1983 8 13/16pc | 100 | 100½ |
| LTCB 1983 8pc | 99¾ | 100 |
| Midland 1987 8 9/16pc | 99¾ | 99¾ |
| Nat. Westminster '90 9 5/16pc | 99½ | 100 |
| OKB 1983 7¾pc | 99½ | 100¼ |
| SNCF 1985 8¾pc | 99¼ | 99¾ |
| Stand. and Chrtd. '84 8¾pc | 99½ | 99¾ |
| Wms. and Glyn's '84 8 11/16pc | 99½ | 100¼ |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¼pc '87 | 82½ | 84 |
| Ashland 5pc 1988 | 92½ | 94 |
| Babcock & Wilcox 6½pc '97 | 103 | 104 |
| Beatrice Foods 4½pc 1992 | 96½ | 98 |
| Beatrice Foods 4½pc 1992 | 107 | 108½ |
| Beecham 6½pc 1992 | 95½ | 96½ |
| Borden 5pc 1992 | 99 | 100½ |
| Broadway Hale 4½pc 1987 | 75½ | 77 |
| Carnation 4pc 1987 | 78 | 79½ |
| Chevron 5pc 1988 | 124½ | 106 |
| Dart 4¾pc 1987 | 78½ | 80 |
| Eastman Kodak 4½pc 1988 | 83 | 84½ |
| Economic Labs. 4½pc 1987 | 77½ | 79 |
| Firestone 5pc 1988 | 80½ | 82 |
| Ford 5pc 1988 | 85½ | 87 |
| General Electric 4¼pc 1987 | 79½ | 81 |
| Gillette 4¾pc 1987 | 75 | 76½ |
| Gould 5pc 1987 | 114½ | 116 |
| Gulf and Western 5pc 1988 | 85½ | 87 |
| Harris 5pc 1992 | 174½ | 176½ |
| Honeywell 6pc 1986 | 84½ | 86 |
| ICI 6¾pc 1992 | 88 | 89 |
| INA 6pc 1997 | 95½ | 97 |
| Inchcape 6¾pc 1992 | 110 | 111 |
| ITT 4½pc 1987 | 77½ | 79 |
| Jusco 6pc 1992 | 114½ | 115½ |
| Komatsu 7½pc 1990 | 139 | 140½ |
| J. Ray McDermott 4¾pc '87 | 151½ | 153 |
| Matsushita 6½pc 1990 | 170 | 177½ |
| Mitsui 7½pc 1990 | 125½ | 126½ |
| J. P. Morgan 4¾pc 1987 | 95 | 96½ |
| Nabisco 5½pc 1988 | 102¾ | 103 |
| Owens Illinois 4½pc 1987 | 108 | 109½ |
| J. C. Penney 4½pc 1987 | 76 | 77½ |
| Revlon 4¾pc 1987 | 120½ | 122 |
| Reynolds Metals 5pc 1988 | 81¾ | 83 |
| Sandvik 6½pc 1988 | 108½ | 110 |
| Sperry Rand 4¼pc 1987 | 91½ | 93 |
| Squibb 4¼pc 1987 | 80 | 81½ |
| Texaco 4½pc 1988 | 78 | 79½ |
| Toshiba 6½pc 1992 | 132 | 134 |
| Ty Co. 5pc 1984 | 76 | 77½ |
| Ty Co. 6¾pc 1988 | 99½ | 100½ |
| Union Carbide 4¾pc 1982 | 104 | 105½ |
| Warner Lambert 4½pc 1987 | 81 | 82½ |
| Warner Lambert 4½pc 1988 | 76½ | 78 |
| Xerox 5pc 1988 | 77 | 78½ |

Source: Kidder, Peabody Securities.

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## ICI plans Australian petrochemical complex

BY JAMES FORTH SYDNEY, June 28.

ICI AUSTRALIA, the local offshoot of the UK chemicals group, is planning to build a A$500m (US$575m) petrochemical complex at Point Wilson, near the Victorian city of Geelong, south of the Victorian capital, Melbourne.

Under the proposals, Point Wilson could emerge by 1985 as the third major petrochemical complex in Australia. ICI already has a similar complex at the Sydney suburb of Botany, while the other, and more extensive complex is in the Melbourne suburb of Altona. A number of groups are involved in the Altona complex.

ICI's plans came to light in a submission to the Geelong regional planning authority. Early proposals envisage production of chemicals for plastics manufacture as well as chlorine for caustic soda production.

The ICI proposals will intensify the jockeying by several large groups, including ICI, to build a A$400m to A$500m ethylene cracker to supply the local market. Apart from ICI, Altona Petrochemicals—owned jointly by Exxon and Mobil Oil of the U.S.—the Shell group and Dow Chemicals have been considering a major cracker, with a capacity of about 200,000 tonnes to 300,000 tonnes a year. The current local consumption is about 250,000 tonnes but is expected to reach 500,000 tonnes by the early 1980s, which means there is room for only one new cracker for some years ahead

ICI has been looking at either Botany or Point Wilson as possibilities. At present the group makes ethylene at Botany, from imported naptha, and also obtains some ethylene from Shell.

Altona Petrochemical makes ethylene from ethane feedstock obtained from the nearby Bass Strait oil and gas fields.

Dow Chemicals has been working on producing ethylene and caustic soda at Redcliff in South Australia, using liquids from the Cooper Basin natural gas fields, which supply Sydney and Adelaide with gas. The South Australian Government is pressing strongly for Redcliffe because of the possibility that the liquids may otherwise be wasted. At present Sydney and Adelaide are supplied from dry wells in the Cooper Basin, but the "wet" fields will need to be tapped within the next two years. If a use is not found for the liquids they will simply be piped with the gas and not utilised.

## ANM decides on newsprint mill

BY OUR OWN CORRESPONDENT SYDNEY, June 28.

THE DIRECTORS of Australian Newsprint Mills (ANM) are to proceed with plans for a A$155m newsprint mill at the country town of Albury, New South Wales, subject to satisfactory completion of financing arrangements. The go-ahead is also subject to formal agreements with the appropriate authorities in NSW and Victoria for access to the forests and provision of essential services. This is expected to be only a formality, as the state governments have been keen for ANM to proceed with the project which will provide employment for 800 people. The mill is expected to be completed early in 1981.

The new mill will have a capacity of about 180,000 tonnes of newsprint a year, which will almost double output, from the present level of 200,000 tonnes per annum.

It will reduce Australia's dependence on newsprint imports, which total more than 200,000 tonnes a year, mainly from New Zealand and Canada.

The Albury mill is expected to have a significant freight advantage over newsprint supplies shipped from New Zealand and elsewhere. The mill is expected to result in foreign exchange savings of at least A$70m a year when it is in full production.

Detailed design of the plant is already under way, and major equipment selection has reached an advanced stage. ANM has appointed Simons International, of Vancouver, as the principal consultants, and has also appointed Crooks, Mitchell, Peacock and Stewart, of Australia, to provide certain services and design work.

## Australian double tax move clarified

CANBERRA, June 28.

FOREIGN subsidiaries of Australian companies will be taxed by Australia only if they pay a dividend to their parent, under a new tax system, the Treasurer, Mr. John Howard, said.

Explaining the controversial proposal to tax some earnings of foreign-based Australian firms and individuals, Mr. Howard said that until dividends are declared there will be no liability for Australian company tax.

When the dividends become taxable in Australia, as part of the parent's earnings, credit will be given not only for foreign withholding tax on the dividend, but also for foreign company tax on the subsidiary's profit.

Mr. Howard said that an overseas company with an Australian stake of 10 per cent or more will be regarded as a subsidiary of the Australian company concerned.

Turning to the concern expressed about the liability of Australian compaines with subsidiaries in countries providing tax incentves, Mr. Howard said that tax sparing arrangements to account for such incentives can be worked out in the context of a comprehensive double tax agreement.

Tax sparing means that Australia, for instance would give credit for tax given up by the host country under incentive schemes as well as any tax actually paid.

Australia, he said, had allowed some measure of tax sparing in its double taxation treaty with Singapore, the only Association of South East Asian Nations (ASEAN) member with which Australia has such a treaty.

The new system, which becomes effective next month, will provide some offset to the unintended bias in the old system against investment in Australia and will reduce tax avoidance, he added.

Australian delegates at the Australia-Philippines business cooperation committee's meeting which ended here yesterday said that they were concerned at the implications of the system and conflicting statements by ministers about its effect on Australian investment overseas.

Reuter

## LTA lifts pre-tax earnings by 37%

By Richard Rolfe

JOHANNESBURG, June 28.

LTA, THE construction group in which Anglo American and its associates are the chief shareholders, has reported a sharp rise in pre-tax profits for the year to March 31, despite the background of a generally depressed civil engineering and construction sector.

At the pre-tax level, the profit is up from R8m to R10.9m ($12.5m), in part due to the maturing of profits on old contracts, for a rise of no less than 37 per cent.

Taxation absorbed only R2.9m, up from R1.7m the previous year, but amounting to only 27 per cent of pre-tax profits. The main explanation seems to be that assessed losses have been offset against profits, but investment allowances and the incidence of tax-free foreign income have also influenced the tax charge. Net attributable profits have been depressed by goodwill write-offs totalling R1.5m on past acquisitions, but these charges are virtually at an end now.

Earnings are up from 41 cents to 46 cents a share, or from 47 cents to 58 cents if goodwill and non-recurring items for the past two years are ignored. The dividend has been raised from 18.5 cents to 19 cents and the shares, at 195 cents now yield 9.7 per cent.

Work on hand totalled R300m as at June 26, up from R260m the previous year, which suggests the group has competed effectively for the business available. Major projects on hand include 60 per cent of the Drakensberg underground power station, a R60m project, a stake in the civil engineering for the Koeberg power station, and work for expanding gold and uranium mines.

## Kowloon Bus raises payout

HONG KONG, June 28.

DESPITE LOWER earnings in the year ended last February, the Kowloon Motor Bus Company (1933) is stepping up its dividend and making a one-for-eight scrip issue.

Shareholders are to get a final payment of 20 cents, making 30 cents a share, compared with 18 cents making 28 cents for the previous year.

Net profit amounted to HK$42.03m (U.S.$9m), against HK$44.56m previously.

Reuter

SOUTH AFRICAN SUGAR COMPANIES

## Bleak prospect after record year

BY RICHARD ROLFE IN JOHANNESBURG

SOUTH AFRICA's big three sugar producers, C. G. Smith Sugar, Huletts Corporation and Tongaat, all achieved record profits from their sugar interests in their financial years just ended on March 31. They produced respectively 37 per cent, 35 per cent and 10 per cent of last season's 2.08m ton sugar crop, itself a new record. C. G. Smith Sugar, having acquired Illovo Sugar Estates, surpassed Huletts for the first time, to become the Republic's largest sugar combine.

But in sharp contrast with last year's results, prospects for the 1978-79 season, to next February-March, are extremely poor. The fault lies not in the crop. This, according to C. G. Smith's sugar review, could be up to 2.16m tons. But it will be restricted, by agreement within the industry, to 2m tons. A combination of inadequate domestic and exports prices has led company chairman not usually given to overstatement to describe the shortterm outlook as "bleak" and "serious," in their recent reviews, while the Tongaat Board has said that "the industry has good reason to face the 1978-79 year with apprehension."

The vital statistics behind the 1977-78 season, and the record profits of the big three producers, were that the industry's financial requirement—all working costs plus the fixed return on capital allowed by the Government—amounted to R440m, while R418m accrued to the industry from sales of sugar and molasses in both export and domestic markets.

Export sales were 1m tons, or 48 per cent of the total, and brought in just under R187m ($215m) lower than the previous season when exports were 100,000 tons higher. But the interesting point is that even in

**Although South Africa's big three sugar producers—C. G. Smith Sugar, Huletts and Tongaat—made record profits from their sugar interests in 1977-78, the prospects for the current year are extremely poor. A combination of inadequate domestic and export prices has led company chairmen not unusually given to overstatement to describe the outlook as "serious" and "bleak," while Tongaat has said that "the industry has good reason to face the 1978-79 year with apprehension."**

last season's relatively favourable conditions, the industry did not earn enough to cover its costs and the deficit of R21m had to be met by withdrawals from the price stabilisation fund.

This fund, built up by surplus export proceeds during the 1970s, reached a peak of nearly R100m in 1974-75, but after subsequent withdrawals, including last season's, is now under R10m. It will not go far to cover the expected shortfall of revenue on costs in the current season.

Compared with the 1m tons of exports in the 1977-78 season, the South African producers' quota was fixed at 835,000 tons for 1978-79 under the International Sugar Agreement (ISA) in January, and has since been further reduced to 680,500 tons, though for the current calendar year—because of the continuing world sugar surplus—total exports for the 1978-79 season should be about 790,000 tons.

The industry recently reported that 27 per cent of this quota had been sold forward at £113 per ton, compared with current prices around £100. Allowing for the forward sales, if the rest of the export quota is sold at current prices, total export revenue this season will be down to about R140m.

One obvious remedy for the industry's finances is a big increase in the domestic sugar price, now R246 per ton, but expected to rise by 8 per cent shortly. The problem here, however, is that for many years the public has been used to cheap domestic sugar, subsidised by high export prices, and it takes time to change attitudes. Over the 10 years to 1977, the domestic price of sugar remained highly stable (in 1972 and 1974 it was reduced).

Last year it was increased by R60 per ton to the present price, but total sugar sales dropped by 8.4 per cent. While this partly reflected stagnant economic conditions, and particular problems in the canning industry, consumer resistance to the higher price was strong enough a factor to make it likely that another large price rise would depress offtake still further.

An additional burden will be created by the need to finance the stockpile which will result from 1978-79 sales and output estimates. Facilities of up to $85m have been arranged. While the International Sugar Organisation will contribute towards 140,000 tons of the stockpile, the rest will be for the industry's own account.

The conclusion which has been generally drawn from all these factors is that, unless export prices improve the sugar group's profits will go into reverse this season. Shares in Huletts and C. G. Smith Sugar have fallen back, against the market trend. Tongaat, which recently acquired control of Primrose Industrial to become the Republic's biggest brick producer, is the most diversified of the three, and its shares have so far emerged unscathed. Its dividend should also be maintained, while most analysts expect reduced payments from Huletts and C. G. Smith Sugar.

## Texmaco stages strong advance

BY R. C. MURTHY BOMBAY, June 28.

TEXMACO, an engineering company belonging to the Birla Group, has improved its profits for 1977 despite a drop in production. Pre-tax profits at Rs 30.1m ($3.6m) registered a 20 per cent increase. Output of Rs 305.9m ($36.4m) was marginally lower than the Rs 312m in 1976.

The sharp upturn in profits occurred in a year when the engineering industry was hit by a fall in demand. There was a cut-back in orders by the Indian Government for railway rolling stock because of a reduced allocation under the development plan. The textile industry did not place any orders for machinery. The progress made in extending assistance by financial institutions to the needy textile mills for modernisation was slow. Although the underlying terms of the loans were attractive, guarantees and margin money asked were considered stiff.

Texmaco depended on the international market for full utilisation of capacity. In 1976, it exported a record amount of more than Rs 100m worth of machinery. After this, exports in 1977 were marked, according to the directors' report, by a "temporary lull which is not uncommon in case of capital goods export." The company has export orders valued at Rs 76.4m in hand. It has secured an export order worth Rs 12.10m for textile machinery from Tanzania. It has also been awarded a contract for 66 hopper wagons from the Bangladesh Railway against international competition. Earlier, Texmaco supplied 500 wagons to that country.

The company, once mainly a producer of textile machinery, has diversified its activities. It now manufactures sugar mill machinery, railway rolling stock, heavy steel castings, structurals, boilers and pressure vessels. Last year, it wanted to take up production of road rollers and coal mining equipment. The Janata Government has chosen to revoke the industrial licence issued earlier to the company for making road rollers although the proposal is based on its own technology and designs. Mr. K. K. Birla, Texmaco's chairman, was a supporter of the Congress Government during emergency, and this is one of the reasons attributed for the not-so-favourable reaction to the proposals of the company for diversification—which, say the directors, "holds the key to its continuing progress."

The company has also approached the Government for permission to produce coal-handling plants. As in the case of road rollers, the Government seems not to be favourably disposed to the proposal.

## Growth slows at Yamaha Motor

By Our Financial Staff

YAMAHA MOTOR, the Japanese motorcycle manufacturer, raised its after-tax profits by 15.5 per cent to Y3.94bn ($19.1m) in the year to April 30. But the dividend is unchanged at Y10.

The increase was appreciably less sharp than that in the previous year, when there was a gain of 53 per cent.

Sales rose at about the same pace as in the previous year, by 31.7 per cent to Y290.34bn ($1.40bn), from Y220.48bn.

The company faced a particular problem during the year from the rise in the value of the yen in the foreign exchange market, in view of its relatively high exports ratio—which was maintained at about 68 per cent.

## Oil India takeover talks

BY K. K. SHARMA NEW DELHI, June 28.

THE INDIAN Government hopes to complete by September the takeover of Burmah Oil's 50 per cent share of Oil India, the exploration company in which both have an equal share. Recent talks between representatives of the two have ended inconclusively.

The next, and what is hoped will be the final, round of talks, are expected to begin next month. The question of the compensation to be paid for Burmah's share of Oil India has been complicated by the Government having linked the takeover to that of Assam Oil.

Assam Oil is wholly owned by Burmah and runs a small refinery in Digboi which has incurred liabilities to the Government and Oil India of various kinds. The Government wants these to be offset against the compensation to be paid to Burmah for its share in Oil India and differences have arisen on how this is to be done.

With the takeover of Oil India, the entire oil industry will effectively be in the public sector. The only foreign interests will be the minority share of the National Iranian Oil Company in Madras Refineries and of Phillips Petroleum in Cochin Refineries.

Meanwhile, an Indian Oil Corporation team will leave for Moscow early in July for talks on imports of crude and middle distillates from Russian sources. Russia has agreed to supply 2.5m tonnes of crude this year in exchange for Indian steel and other commodities, as well as 1m tonnes of kerosene and diesel.

The crude comes from Russian purchases from Iraq, and Indian Oil hopes to bring the entire amount in Indian tankers. It also wants to increase purchases of kerosene and diesel.

## Singapore bank offer for sale

By H. F. Lee

SINGAPORE, June 28.

THE United Overseas Bank (UOB) is offering 5m shares in its subsidiary, United Overseas Finance, for sale to the public.

The shares, which constitute 25.7 per cent of UOF's issued capital of S$19.47m, are being offered at S$1.50 per share—a 50-cent premium on its par value.

The purpose of the offer, UOB said, is "to provide the investing public with an opportunity to participate in the equity of the company and to enable the shares to be listed on the Stock Exchange of Singapore."

The UOF flotation joins the recent spate of new issues in the Singapore stock market. It is the fourth new issue in two months and comes at a time when the market is displaying tremendous buoyancy and an almost insatiable appetite for new issues.

The last three issues were all several times oversubscribed, the most remarkable being the Singapore Bus Service which on its first day of listing was traded up to as high as three times its offer price.

UOF is one of the largest finance companies in Singapore and at the end of 1977 has assets totalling S$131.55m, loans of S$94.87m, deposits of S$97.65m and shareholders' funds of S$28.22m. Net tangible asset per share is S$1.45.

The company has been enjoying steady earnings growth and for the year ended December 1977, reported pre-tax profits of S$5.69m (U.S.$2.45m).

The company gave no forecast of its earnings for the current year but said that it expects to continue to achieve satisfactory growth in the future.

UOF anticipates that the gross dividend rate will be maintained at 10 per cent, same as the past two years.



VONTOBEL EUROBOND INDICES

14.5.76=100%

| PRICE INDEX | 20.6.78 | 27.6.78 | AVERAGE YIELD | 20.6.78 | 27.6.78 |
|---|---|---|---|---|---|
| DM Bonds | 106.25 | 106.05 | DM Bonds | 6.521 | 6.549 |
| HFL Bonds & Notes | 105.01 | 105.01 | HFL Bonds & Notes | 7.428 | 7.432 |
| U.S. $ Strt. Bonds | 99.15 | 98.77 | U.S. $ Strt. Bonds | 8.846 | 8.920 |
| Can.-Dollar Bonds | 100.02 | 99.89 | Can.-Dollar Bonds | 9.284 | 9.314 |

APPOINTMENTS

# Operations director for Bowater

Mr. Brian J. Hennessy has been appointed operations director of BOWATER CONTAINERS. He takes up his appointment on August 1 and will be succeeded as general manager of the Flexible Packaging Division by Mr. Rodney A. J. Webb, who was, until his new appointment, financial controller of Bowater Consumer Packaging.

★

Mr. A. de Boer becomes chairman of TOMATIN, whisky distillers, from September 26 and takes over from Mr. Richard Callingham, the present chairman, who will remain a director. Mr. de Boer is chairman of the British Road Federation and a director of the International Road Federation. He is a director of Burmah Oil, the Chloride Group, Steel Brothers Holdings and Tarmac. He is also chairman of Attock Petroleum. He has been a member of the National Bus Company since its inception in 1968 and serves on the Transport and Marketing Committees of the CBI.

★

Mr. J. Lister, general manager, planning, has been appointed chairman of ICI fibres division from September 1. Mr. C. Hampson, a vice-president of Canadian Industries, is to become general manager, planning from that date.

★

Mr. D. H. Booth has been appointed executive director BICC CABLES, Prescot, responsible for the co-ordination of activities on the Prescot site. In addition he will become chairman of BICC Metals, BICC Prescot Industries, and Brookside Metals.

★

Mr. K. W. Cook, director of economics and planning of PHILIPS INDUSTRIES, becomes director of finance and planning from July 1. Mr. A. B. Gilliland, currently director of finance, becomes special projects director from the same date.

★

ELLERMAN LINES announces the appointment to the Board of Mr. Timothy Martin-Jenkins, with effect from July 1. He is chief executive of EWL, the transport division of Ellerman Lines based in Hull. His appointment follows the retirement from the Board on June 30 of Col. George W. Bayley, the former chief executive of EWL. Mr. J. W. Cameron also retires from the Board on the same day.

★

BRITISH RAIL announces the appointment of Mr. Colin Driver, formerly passenger sales manager, headquarters, as chief passenger manager, Eastern Region, based at York. He succeeds Mr. R. Gemmell who has been appointed director of public affairs (Scotland).

★

Sir Arthur Hope-Jones joins the Board of LONDON SUMATRA PLANTATIONS as a non-executive director and chairman on July 1. He resigns as a director of Harcros Investment Trust on June 30. Sir Arthur will remain on the Board of Nairobi-based Phillips Harrison and Crosfield.

Mr. F. W. Harper relinquishes the chairmanship of London Sumatra Plantations after the annual meeting on July 25, but will remain as an executive director.

★

Mr. M. K. Schwitzer retires on July 1 from the Boards of AKZO CHEMIE UK and ARMOUR HESS CHEMICALS. He is being retained as technical adviser.

★

Mr. Ainslie Emery has been appointed sales director of the Wolverhampton company STUD-BOLT MANUACTURING, a subsidiary of Ralin Holdings.

★

Mr. K. Bartell has been elected president of the BRITISH CHAMBER OF COMMERCE FRANCE. Mr. Bartell, who is also president of the Conference of British Chambers of Commerce in Continental Europe, was president from 1973 to 1975. He succeeds Mr. Eustace Balfour, of Mather and Platt, who becomes vice-president. The other vice-president is Mr. Robin Ward, of Resource Evaluation France.

★

Mr. Alan Bates, deputy group managing director of Hoskyns Group has been appointed operations director of AUDITS OF GREAT BRITAIN from July 3. He will control all the company's computer services.

★

Mr. Leslie J. Thomas has been elected deputy chairman of CENTRAL AND SHERWOOD.

★

Mr. Paul Bliss, formerly general sales manager, has been appointed sales director of DAVIS ESTATES (SOUTHERN), a subsidiary of the Wood Hall Trust.

★

Mr. H. Russo, Mr. E. F. Glanville and Mr. W. E. Brown have been appointed directors of CORNELIUS CHEMICAL COMPANY. Mr. K. Prior has been appointed managing director and Mr. D. Barker, Mr. W. E. Brown, Mr. E. F. Glanville and Mr. P. Weitzman have been appointed directors of CORNELIUS PRODUCE COMPANY.

★

From July 1, Mr. Qaiser A. M. Luqman will be responsible for the UNITED INTERNATIONAL BANK representative office in Abu Dhabi. From the same date, Mr. Charles Law, who has been manager of the office for the last three years, will be returning to London to assume a managerial post with the bank.

★

Mr. G. G. Tredinnick, London office manager, the COMMERCIAL BANK OF AUSTRALIA, is returning to Australia to take up his new position as corporate banking manager for Victoria. Mr. J. Grooby, who currently holds the position of manager, international operations, will succeed Mr. Tredinnick in London.

★

The Board of CHAMBERS AND FARGUS announces the appointment of Mr. D. Piercy as assistant director responsible for the edible oil refinery business from July 1. As a result of the resignation of Mr. G. J. Dunham, Mr. J. F. Cappleman became company secretary. Mr. I. Cutting becomes director, finance and marketing, from July 1.

★

Mr. David M. Bacon has joined the Board of CAMBRIAN AND GENERAL SECURITIES.

★

Mr. Stuart Alexander is leaving the Financial Times to join BL (formerly British Leyland) as corporate communications executive on July 17. He will be based at Nuffield House, Piccadilly.

★

EMI announces that Mr. Neil Sarsfield has been appointed deputy director, music operations, South East Asia. He will continue as managing director of EMI (Singapore), and EMI (Thailand).

Mr. Derek Etherington has been appointed marketing director of EMI Leisure.

★

Mr. T. W. Stafford, director of the Sunderland and Shields Building Society, has been elected president of THE BUILDING SOCIETIES INSTITUTE for the year 1978-79.

★

Mr. Anthony P. Bradley has been appointed managing director of FOX AND OFFORD, mould and toolmakers of Birmingham. The appointment takes effect from July 1 and coincides with the acquisition of the firm by the Transformotor Group of Tipton. Mr. Bradley, formerly managing director of Bradley and Turton of Kidderminster, succeeds Mr. Fred Lupton, who retires as managing director at the end of June. Mr. Lupton is being retained as a consultant.

★

WINCOTT GALLIFORD, a Midland building company, announce that Mr. Eric G. Flower, currently production director, has been appointed managing director from July 1. Mr H. Cockroft, at present managing director, resigns on June 30 to concentrate on his duties as divisional director responsible for all building activity and property development in the Galliford Brindley Group. Mr. Cockroft retains his seat on the Board of Wincott Galliford. Mr. T. W. Seekings becomes production manager.

★

Mr. Edward Baker has been appointed finance director of ST. REGIS INTERNATIONAL in place of Mr. Emlyn Williams who retired at the beginning of June.

★

Mr. Charles Craft is to retire at the end of July as a director of JOHN LAING AND SON, parent company of the Laing Group.

★

Mr. G. Westrop, managing director of GENERAL FOODS, has been appointed area manager, General Foods Europe in Brussels from August 1. Replacing him at Banbury is Mr. David F. Harwitt, at present marketing manager of the GF Corporation's pet foods division.

★

Mr. Roger Foden has been made chairman and Mr. Saxon Tate a director of TUNNEL REFINERIES. Lord Jellicoe has resigned as chairman following his appointment as chairman of Tate and Lyle.

★

Mrs. Hester Davies has become company secretary of AJAX MAGNETHERMIC (UK), a subsidiary of the Guthrie Corporation.

★

Mr. J. R. Ryan has been appointed general manager of the SOUTH WEST TRUSTEE SAVINGS BANK on the retirement of Mr. Stanley Wilson. Mr. William Millar replaces Mr. Ryan as deputy general manager.

★

Professor Thomas Wilson is to become chairman of the SCOTTISH MUTUAL ASSURANCE SOCIETY on July 1 in place of Mr. W. R. Ballantyne who retires from the Board at the end of this month. Professor Wilson holds the Adam Smith Chair in Political Economy at Glasgow University.

★

Mr. Geoffrey Hollows, marketing director of Hepworths Ltd., has been appointed to the Board of the holding company, J. HEPWORTH AND SON.

★

Mr. David H. Woolf has been appointed managing director of HENRY BOOT CONSTRUCTION from July 1. He was previously a director and head of operations of Bovis Construction. Mr. John B. Parkinson, formerly managing director of Henry Boot Construction and recently appointed group joint managing director of the parent company Henry Boot and Sons, will take over as chairman of Henry Boot Construction at the beginning of next month.

★

RESEARCH SURVEYS OF GREAT BRITAIN, a subsidiary of AGB Research, has made the following appointments: Mr. T. S. Bowles as managing director, jointly with Mr. P. J. Menneer. Mr. Bowles was formerly a director of the Schlackman Research Organisation. Mr. P. J. Jenkins and Mrs. H. Dunn become associate directors of RSGB.

★

BRITISH RAILWAYS BOARD has appointed Mr. Geoffrey Myers, general manager of the Eastern Region of British Rail at York, to the newly-created post of director of strategic development at Board headquarters. He will head a strategy unit working with headquarters departments and with the Board's subsidiary businesses to identify and develop areas of change. Mr. M. V. Casey is to become engineering director of British Rail Engineering to succeed Mr. J. J. C. Barker-Wyatt, who retires at the end of this month.

★

BRITISH AEROSPACE Dynamics Group at Bristol, has appointed the following five new divisional executive directors: Mr. R. O. R. Chisholm, divisional project manager Rapier (research and development); Mr. G. J. Felton, engineering; Mr. R. F. Hatcher, production; Mr. R. G. T. Munday, electronic and space systems; and Mr. B. J. Rosser in charge of other major military contracts.

Air Commodore G. Watson has joined BRITISH AEROSPACE DYNAMICS GROUP's Hatfield/Lostock Division as executive in charge, air weapons (Hatfield).

★

Mr. Raymond Monbiot has been appointed managing director of ASSOCIATED BISCUITS, the home biscuit division of The Associated Biscuit Manufacturers with effect from September 1. Since 1976 he has been managing director of Henry Telfer.

★

Mr. Tom O'Dell has been appointed manager of acquisitions for the exploration department of CONTINENTAL OIL COMPANY (Conoco). He will be based in the London office.

# BUSINESS BOOKS

## Nuclear energy—another victim of a preoccupation with invention

BY DAVID FISHLOCK

**Nuclear Power and the Energy Crisis. by Duncan Burn. Macmillan, price £12**

A CONCLUSION now being reached by some of the excellent technical minds which are bending to the problem of Britain's steadily declining economic performance is that there has been a debilitating preoccupation for far too long with the "what" rather than the "how" of industrial activity. Britons attach disproportionate importance to invention, and far too little to its production. The first, it seems, is "creative activity" and hence to be lauded: the other is merely "trade."

Aircraft is perhaps the most obvious example: Britain's track record for invention has been unsurpassed but its past performance for commercial achievement is mostly a joke. Electronics, the business of black boxes and chips, is another disturbing example. Nuclear energy provides a third.

### Mistake

Duncan Burn, in a searching analysis of two decades of the fledgling civil nuclear industry, makes the same basic mistake. If only Britain had picked this invention, not that one, he argues, commercial success would have been assured. His book will raise many a blush—on the cheeks of politicians, I suggest, rather than on those of industrialists or technical experts—as he mercilessly exposes attempts to rationalise decisions by people who often had failed to grasp the issues.

But the central question must be whether in 20 years' time Burn's book will be seen as having helped to put Britain's nuclear industry on its feet, —an industry which by then, reason tells us, should have become mature and perhaps prosperous. It appears at a time when, once again, Britain is wrestling with the organisation and management of the industry. No-one, customers least of all, is satisfied with the clumsy two-tiered management structure of the National Nuclear Corporation, introduced only in 1974.

Nuclear power stations are probably the most complex of all industrial projects—far too complex for the customer simply to place a "turnkey" contract then sit back and decide who shall cut the tape. The utilities have learned that they must work closely with their contractor, meeting problems head-on as they arise. Success calls for much mutual confidence and trust—trust on the contractor's part, for example, that he will be fairly rewarded if, when trouble strikes, he starts to sort it out without waiting until a fresh contract has been sewn up.

This calls for an entrepreneurial management style, of a kind all but eradicated from the present industry. As a result the Central Electricity Generating Board and its big engineering team at Barnwood are becoming deeply embroiled in nuclear project management. And they are discovering just how absurdly optimistic have been the estimates of completion dates and costs made as recently as a year or two ago.

It is Burn's thesis that all of this is the consequence of consistently choosing the wrong type of reactor. If only, he says, Britain in 1965 had come to the same conclusion as the U.S. heavy electrical industry and chosen the light water reactor (LWR) instead of its own line of gas-graphite reactors, condemned in the U.S. as being of "low material economy"—that is, too big and thus more expensive. He hints, though fails to substantiate, that there was a conspiracy within the U.K. Atomic Energy Authority to reject the LWR. He may well be right. The course, set in the early 1950s, was pursued single-mindedly: and considering the problems that had to be overcome this was probably no bad thing.

Lord Aldington, chairman of the National Nuclear Corporation.

Unfortunately the politicians were less consistent in their support for the nuclear industry. In the 1950s it was being urged to go faster than was good either for industry or its customers. Then they lost interest when the urgency seemed to recede. When Britain began to unlock its North Sea resources, which competed for funds, their apathy often turned into overt hostility.

Burn charts the decline and fall of the Industry accurately and remorselessly. Yet, because he is not really comparing U.K. performance with progress elsewhere, he arrives at far too simple an answer. You will find no reference to the fact that U.S. General Electric—the company whose reactor the author believes Britain should have chosen in 1965—lost money on every one of the first eleven nuclear stations (all turnkey) it built.

You will find no reference to the two great pitfalls into which the U.S. nuclear industry fell in the 1970s. One was that it under-priced its reactors, selling them as part of a package which included fuel services for years ahead: the razor and blade principle of marketing once enunciated by King Gillette. But it was caught out badly when nuclear fuel prices began to rocket along with other energy prices in the wake of OPEC's actions in 1973: some nuclear companies had apparently assumed that they would always be able to pick up uranium cheaply when—some years after they took the reactor order — the customer called upon them to deliver. The second pitfall it failed to anticipate was the devastating impact of public hostility towards big U.S. business in general and the way this has focused on the energy companies, curtailing nuclear business during the 1970s.

### Not right

The Vinter Committee set up by the U.K. Government in 1970 to make a decision on reactor choice came to the conclusion that the real problem lay in the organisation and management of the industry. Get this right first, it concluded, and the reactor decision would evolve naturally. In fact it is still not right in 1978.

However, right to the end of his book Burn remains convinced that reactor choice is the key to commercial success. His contempt for Lord Hinton, for instance—as the man praised for his central and unsung role in the official history of nuclear energy in Britain by Margaret Gowing—is palpable. "The work had been entirely within the realm of Hinton's pre-war and wartime experience—quite different in character from that of sorting out, evaluating and developing reactor systems, choosing which horses to back, when to abandon them, when to choose new ones, and riding them well."

### Foundation

Hinton was charged with the task of producing the materials for the first nuclear weapons; with the "how" rather than the "what." But the "how" in this case meant designing from scratch a series of large factories to make and refine materials virtually unknown in Britain before the war, and inherently difficult to deal with. He did this to time and cost schedules that would be unattainable today even if translated into 1978 prices. He laid the foundation for the successful part of the British nuclear industry, nuclear fuel services—almost ignored by Mr. Burn.

The future of the British nuclear industry probably lies in a management relationship akin to that which exists between the chemical and petrochemical industries and their contractors—and Britain has about 40 per cent of W. Europe's process contractors. This may suggest that the dominant feature of the nuclear industry should be fuel services and not reactors, few of which are likely to be ordered over the next seven or eight years. It may even suggest that any new type of reactor—such as a light water reactor—should be ordered piecemeal, from world suppliers who meet the UK specification for performance and safety, just as the chemical industries order their plants.

## Looking beyond the technical remedies to cure inflation

BY PETER RIDDELL

**The Political Economy of Inflation. Edited by Fred Hirsch and John H. Goldthorpe: Martin Robertson, prices £8.95 and £3.95**

INFLATION is much more than just a technical economic problem: it reflects and influences wider social and political forces. Yet inflation has traditionally been studied mainly by economists who have been reluctant to go beyond a discussion of various technical remedies while regarding non-economic and political factors as variable and adaptable.

*This new work is a largely* successful attempt to fill the gap, and is an appropriate tribute to the inspiration of Fred Hirsch, one of the co-editors who died earlier this year just after correcting the proofs of the book. The intention is to contribute to a more broad-based study of inflation while avoiding a "multi-disciplinary (or worse, non-disciplinary) mish-mash" or a "dialogue of the deaf."

The work consists of 10 main essays as well as an introductory and concluding chapter, covering not only the economic background and effects of inflation, but also the political and sociological context. The contributors include economists, sociologists, political scientists and historians, representing a fairly wide spread of views, though excluding "hard-line" Marxists and monetarists.

The book has clearly benefited both from close co-operation between the contributors and from discussions held at a conference of 70 social scientists at Warwick University in May, 1977. The result is that different disciplines and approaches are related more closely.

The collection also provides an admirable summary of much of the vast amount of work which has been undertaken on inflation and the development of modern capitalist societies (in part now the same issue) since the start of the great price explosion of the early 1970s. Most of the essays are accessible to the general reader and the more technical and statistical passages can easily be skipped without missing the drift of the argument.

### Clarity

John Flemming's opening chapter is a notable example of this clarity. By explaining how inflation itself is essentially a monetary phenomenon he provides an introduction to the later discussion of the possibly more elusive non - monetary factors.

Among the themes discussed are the relationships between the growth of the public sector and inflation, and the impact of inequalities between the leading industrial countries and the rest of the world. Some myths about the impact of inflation are also undermined: David Piachaud of the London School of Economics points out, for example, that inflation "acts neither as Robin Hood nor as Robber Baron: neither the poor nor the rich are affected in a uniform way." He maintains that inflation has different effects on particular groups at different times in the life cycle.

David Piachaud also mentions the most interesting theme of the book—the view that *inflation is not so much a cause* of problems of modern capitalist society but a symptom of wider difficulties. He says: "To the extent that inflation is the outcome of people attempting, because of dissatisfaction with the existing income distribution, to improve their relative position, then inflation can only be overcome when there is a degree of consensus that the distribution of incomes is fair and just—which is a long way off."

These isues are discussed in three linked chapters by Samuel Brittan of the Financial Times, John Goldthorpe from Oxford and Colin Crouch of the LSE. Colin Crouch argues that institutions of the classic bourgeois state are incapable of providing an adequate regulation of interests when so many of those interests are organised and incapable of containment by economic means alone: inflation is one major outcome of this position. Both John Goldthorpe and Samuel Brittan argue, from differing standpoints, that inflation is not just a technical economic problem but a response—indeed perhaps a temporary solution—to more fundamental social and political difficulties. Similarly, Fred Hirsch notes in his concluding chapter that "both Keynesianism and inflation can be seen as defensive responses by capitalist societies challenged by the new political and economic imperatives of a democratic age."

### Problems

Samuel Brittan argues that "the real problems of liberal democracy are not in the end about inflation. The spread of market relations itself tends to undermine the status structure which provides capitalism with its legitimacy in the eyes of most people. . . . By disguising our problems as the semi-technical conundrum of inflation, we may be making them seem more tractable than they really are. Inflation may even have been a benign form of self-deception, a means of buying time. But we have come to the end of this period of grace."

## Other recent publications

**Business. by Charles A. Kirkpatrick and Frederick A. Russ. Science Research Associates Inc., Henley-on-Thames. Price £6.95**

This is the second edition of a book aimed largely at students of business. Some material has been deleted from the first edition and some expanded. There are a number of different sections, the first of which presents an overview of business, while the second looks at the behaviour of individuals and at how managers actually manage. Section three describes the broad range of activities of personnel departments, and section four examines the marketing function. Other sections deal with financing, the need for providing adequate information to those inside and outside a company and there is a section on relations between business and government.

**Solutions Manual to Management Accounting, by Norman Thornton. Heinemann.** This book is also primarily aimed at the student and is therefore largely a technical work, describing such activity as ratio analysis and inter-firm comparison, funds analysis, and aspects of budgetary control. It is liberally filled with practical examples of how to draw up various types of account and concludes with a section looking at the future of management accounting

**Britain's Economic Problem: Too Few Producers by Robert Bacon and Walter Eltis. Macmillan, price £7.95 and £2.95**

This comprises a series of already published articles which aimed to set out a new explanation of the decline of the British economy after the Second World War. The articles have been extended in the book and the describe the effects of a growing shift of the country's resources from the production of goods and services which can be marketed at home and overseas to the provision of unmarketed public services.

**Can You Succeed in Business and Still Get to Heaven by Linda King Taylor and Alan Reid. Associated Business Programmes**

This looks at the background and consequences of a whole series of questions, such as "Is the creation of wealth the only valid business objective?" "Can the growth which profit requires and in turn proliferates keep on year after year?" and "How will business cope with depleted world resources and the levelling-up demands of the Third World?" The authors argue that Britain best reflects the myriad problems of industrial society, but that it also contains the conditions and ingredients which could bring about a "managerial revolution" with long-lasting and far-reaching consequences.

هكذا من الأصل







# BUSINESS BOOKS

## A sugar-coated account of the rise of Mr. Cube

BY JOHN EDWARDS

**Sugar and All That . . . A History of Tate and Lyle, by Anthony Hugill. Gentry Books, £9.50**

COMPANIES WANTING a history of their achievements face a difficult dilemma. Do they commission an independent outsider, possibly a professional writer, to give a detached impersonal view? Or do they find a writer connected with the company, who already has a good background knowledge and can be relied on to give a favourable impression?

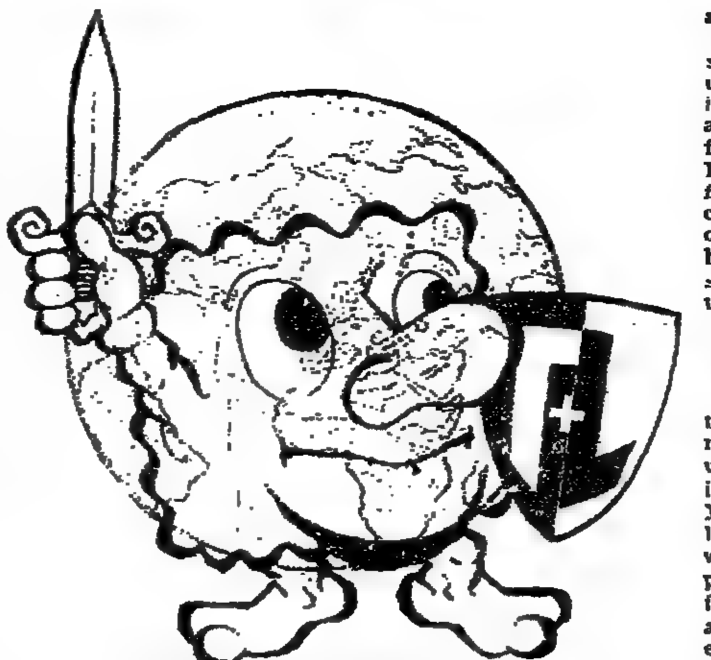
The danger of the outsider is that he may want to dig too deep and insist on including in the book past events or views that the company might want to be ignored or forgotten.

### Biased

With the safer alternative course of using a writer known to the company the problem is that the history can be too favourably slanted and thereby dismissed by the reader as being biased.

Tate and Lyle have fallen into the second trap. This history of the company was written by a man who worked for the company for 30 years. He was heavily involved in the Mr. Cube anti-nationalisation campaign and obviously devoutly shares the political convictions of his former employers.

He was commissioned, so we are told, by the Board of Directors to present the history of the company in a light-hearted manner, warts and all. The tone for the book is set by the follow-up instructions quoted: "Facts yes," they said, "and get 'em right if you can. But not too many figures. And watch those damned dots."



A cartoon illustrating the internationalism of Tate and Lyle, drawn by R. St. John Cooper, who created Mr. Cube in 1949.

Well, the book contains precious few warts. One of the "family" apparently had too much of a liking for kummel and the Tates and Lyles appear to have generally loathed each other until, of course, the present generation. Otherwise the directors are benevolent chaps, occasionally eccentric and humourous, but all the time resolute businessmen determined to do the best for the company. Their workers are sturdy yeoman, who enjoy a good simple joke and working hard. Sometimes they may go astray, led by malcontents. However they are soon back on the right path with the help of the company and sensible union leaders. They are all part of one big happy family and know that any factory closures are for reasons beyond the company's control.

Mr. Hugill's light-hearted writing is something you either like or loathe. His technical descriptions are easy to understand, even for someone knowing nothing about sugar. The background detail, especially of the Mr. Cube campaign, sheds interesting light on the company attitude and views at the time.

Unfortunately a more defensive tone is taken on more up-to-date developments. So it is difficult to detect current attitudes to the many problems facing Tate and Lyle at present. It would be interesting to know, for example, the company's current views on nationalisation of its sugar refining interests, bearing in mind the changed situation since Britain joined the EEC.

### Eluded

It would also be interesting to know much more about the matters not mentioned, or only vaguely hinted at. For example, in the chapter on United Molasses there is a throw-away line: "A marketing system which helped to stabilise world prices was fashioned." No further mention is made of an achievement that has so far eluded other commodity producers and the UN Conference on Trade and Development.

"Sugar and All That" is not for the serious reader who wants to know about one of the world's basic staple foodstuffs. It is a lengthy, sometimes endearing, history of Tate and Lyle.

Cutting through the plethora of names and poetical quotations there is a good "inside" account of how one of Britain's most famous companies was built up and run. But the book does not attempt to give a proper analysis of a group that is in one of its many transitional periods of change. Trying to move away from sugar refining and this year for the first time ever electing a non-family man as chairman.

## When capital ownership gives employees power of decision

BY JOHN ELLIOTT

**Employee Investment Funds: an approach to collective capital formation by Rudolf Meidner. George Allen and Unwin, £6.95**

BECAUSE of the way that the debate in Britain over employee participation and profit sharing schemes has developed during the past few years, it is often forgotten that a far more radical approach has been under consideration elsewhere in Europe and Scandinavia, and especially in Sweden. This book, by a leading researcher and policy maker in Sweden's Labour movement, Rudolf Meidner, helps to fill that gap. It shows how the Swedish unions have moved towards advocating a worker-director system based on collectively held shares in industry, rather than on simply putting employee representatives in the Boardroom as an extension of consultation and participation.

The trade union interest in the subject in Sweden sprang from what to UK eyes will seem a rather unlikely source: what to do with some of the profits that Sweden's companies were making, partly as a result of the success of the country's centrally bargained anti-inflation wage agreements. Sweden's economic and industrial successes have waned since the debate first got fully under way in 1971: but the interest remains and even the current non-Socialist Government is giving the ideas some consideration.

From tapping high profits, the union's interest spread to gaining a say in how profits are allocated for investment purposes, to checking the distribution of wealth among traditional groups of shareholders.

So with the three aims of complementing the wages policy, redistributing wealth, and increasing employee involvement, Meidener produced a report for the Swedish unions in 1976 and this book is a translation of the work. The ultimate scheme put forward was that 20 per cent of a company's profits should be paid into a central fund collectively run by the unions. Local unions would have a right to elect board members to their area's companies according to the size of the shareholdings—which would of course grow year by year.

### Take over

When a holding reached 20 per cent, union bodies covering sectors of industry which up to then had had only consultative and research roles, would take over the job of appointing extra Board members. Gradually, therefore, the trade unions would take over both the ownership and the running of industry.

Such an idea of course caused a furore in Sweden and has yet to be introduced, although it became a major issue in the last general election. But it has been considered elsewhere and a research paper from Britain's Labour Party called "Capital and Equality" produced somewhat similar ideas in 1973. But the British Labour movement, wedded to its traditions of class and shop floor conflict, has shown little real interest.

Had the British TUC, however, decided to react in detail to the Lib-Lab pact's internal company profit sharing tax concessions which are contained in the current Finance Bill, it would have had to argue something along the Swedish lines. As it was, the TUC realised the usefulness of the Government humouring the Liberals with the tax concessions for individually owned shares, and shrank from starting the sort of debate about the growth of union power that the Meidner style collective proposals would cause.

Nevertheless, the British unions have shown an interest in exercising collective influence over pension funds and over other investment institutions. It also seems likely that, should individual company profit sharing ever become significantly widespread, they will look for a role there too. As Meidner says: "He who controls the capital holds the right to initiate and the chance positively to embark on implementing decisions . . ."

British unions, however, are primarily arguing in the current industrial democracy debate that a worker, as an employee, should have a right to initiate and implement decisions either through a worker director system or through extended collective bargaining. The approaches in the two countries are therefore different; but together they show the breadth of the debate about the rights of a worker and his union.

### Trade unions in focus

**The Fifth Estate, Britain's Unions in the Seventies. By Robert Taylor. Routledge & Kegan Paul. Price £7.50**

THIS BOOK sets out to describe Britain's trade unions in a favourable light but underlines many of their current weaknesses.

Written by the Labour Correspondent of the Observer newspaper, it contains profiles of several of the country's major unions. It concentrates mainly on their present leaders and records, and provides useful sketches of how they function.

An appendix contains a guide to the annual wage round, while the first part of the book looks at the growth and operations of the unions in general and the TUC in particular.

## Pointers to proper management

**How to be a Successful Manager by R. W. Nickson. Thorsons Publishers, Wellingborough, Northants. Price £3.75**

A COMMON trait among many management pundits is their propensity for making statements of the obvious. Indeed, it is a noticeable characteristic even of authors as exalted as Peter Drucker, who is still considered by many to be the high priest of management thinking—after more than 30 years of preaching a gospel that has changed little in its basic concepts.

Mr. Nickson is no less obvious with many of the tenets he holds to be true. For example, in motivating people, he says a manager's first step "is to make sure that everyone is quite clear about what his objective is. If they do not know what they are trying to achieve they are unlikely to achieve it." Then again, he says of management tasks: "Planning and organising by themselves will achieve nothing. The manager must now initiate and then sustain the action necessary to put his plans and organisation into effect."

There are two points that can be made about such statements. The first is that they are all very fine providing the context in which they are made is constructive. On the whole, Mr. Nickson's book develops sound management principles and it is easy to follow his themes which — perhaps as a result of his 35-year career in the Royal Navy — have running through them a clear message to managers of the need for discipline and responsibility.

The second point about the obviousness of many management pundits is that this so often appears to be just what managers — even those at the top of their profession — are looking for. Perhaps it is simply that they gain reassurance from hearing someone else put forward principles which they are already aware of (or should be) and which they believe in.

Mr. Nickson's is a fairly basic manual and not a particularly "deep" or intellectual book—but then it does not pretend to be.

N.L.

## A plea for shiftwork flexibility

**The Human Aspects of Shiftwork. by James Walker. Institute of Personnel Management, price £3.95, plus 35p postage**

WHY, WHEN and how should shiftwork be introduced and what are the effects for the shiftworker? These are just some of the questions discussed by Mr. Walker, in whose book the underlying theme is a recurrent plea for greater flexibility in the arrangement of shift hours to suit both group and individual needs.

The major part of this work is concerned with the effects of shiftwork and particularly nightwork on an employee and the ways by which management can effectively introduce and administer shiftwork. There are chapters on the prevalence of shiftwork and the economic and factory conditions which favour its introduction; and the arrangement of shift systems and their administration are also considered.

# Wall St. up 2.60 on portfolio adjustments

**INVESTMENT DOLLAR PREMIUM**
$2.60 to £1—111% (109%)
Effective $1.8545-50½% (48½%)

EARLY LOSSES were more than recovered in slow trading on Wall Street yesterday, helped by end of the quarter portfolio adjustments.

After shedding 2.95 to 814.26 the Dow Jones Industrial Average rallied to 819.91, for a net gain of 2.60. The NYSE All Common Index picked up 23 cents to $53.58, while advances led declines by 826-to-585. Trading volume sharply decreased by 6.02m shares to 23.26m, the smallest since May 30 when 21.04m shares changed hands.

Stocks gained despite adverse economic news. The dollar traded in a narrow range after opening lower on European Foreign Exchanges. Dealers related the lower opening to Senate action to thwart President Jimmy Carter's plan to impose fees on oil imports if Congress doesn't pass his Crude-Oil Tax.

Also in the news — Treasury Secretary Michael Blumenthal carried the Administration's fight against relief from Capital Gains Taxes to the Senate.

U.S. Money Supply data due Tomorrow and the Consumer Price Index report due Friday, combined with the upcoming Independence Day long weekend, made Investors wary of taking big positions.

In the Casino Group of stocks—which were sharply lower in the two previous sessions after an earlier run-up in price—Ramada Inns held unchanged at $8, Ceasars World were off $¾ to $23¼, Del E. Webb were down $½ to $20½, Bally MFG. rose $1 to $34¼, Howard Johnson 13¾ were up $¼ to $13¾, MGM shed $¼ to $38 and Playboy declined $¾ to $22¼.

Rite Aid were down $1¼ to $21¼, despite slightly higher first quarter net earnings.

**Consolidated Foods** eased $¼ to $25¾, after block of 206,800 shares traded at $25¾.

**Applied Digital Data** gained $¾ to $14¾ and traded as high as $15¼—a subsidiary of Texas Instruments contracted to buy video computer terminals from Applied Digital Data for resale throughuot the U.S.

Scott Fetzer moved ahead $¾ to $31¾ on a raised dividend.

**Sears, Roebuck** were active and up$¾ to $23¼—a block of 220,000 shares traded at $23—It will open nine new stores in July and close some others, for a net increase in floor space of 907,000 square feet.

Active **Arlen Realty** were lifted $¾ to $4¾.

**Dresser Industries** added $¾ at $43½—it had no comment on reports the U.S. Security Council is questioning Dresser's proposed sale of $144m of oil production equipment to the Soviet Union.

Twentieth Century-Fox jumped $2¾ to $39, — its film "Star Wars" has grossed $220m and a sequel is planned for late 1979, early 1980.

THE AMERICAN S.E. Market Value Index was up 0.31 at 145.08, while advancing issues outnumbered declines by 318-to-275. Volume fell to 3.12m (4.881m) shares.

**Resorts International "A"** the most active issue, moved down $¾ to $69¼ on 262,900 shares.

Also active were **Damson Oil**, up $1¾ at $13¼ on 80,200 shares. **Ashland Oil**, up $1¾ at $20¾ on 71,300 shares. **National Patent Development**, up $¾ at $9¾ on 66,700 shares. **Shenandoah Oil**, up $1¼ at $34¾ on 65,000 shares, and **Houston Oil and Minerals**, up $¼ at $22¾ on 64,200 shares. A Paper presented to the Canadian Society of Petroleum geologists said North America's largest natural gas basin may lie in the deep basin in Alberta and British Columbia.

## Canada

Higher levels were recorded in bus ytrading yesterday, when the Toronto Composite Index moved up 2.3 to 1122.8.

The Gold Share Index advanced 25.2 to 1426.8, Oil and Gas rose 4.2 to 1432.6 and Metals and Minerals gained 1.7 to 918.0.

But **Alberta Gas Trunk "A"** fell $¼ to 14¾—Petro Canada said it withdrew its bid for Husky Oil since Alberta Gas raised its holding in Husky to 35 per cent.

**Canadian Occidental** lost $¾ to $20½—its subsidiary of Occidental Peteroleum, rival bidder for Husky shares.

**Maclean-Hunter A** gained $¾ to $16¾ on a dividend increase. **Canadian Vickers** were up $1 to $33 — it won a $15m contract from Ontario Hydro.

**Numac Oil and Gas** slipped $¼ to $36, despite a planned two-for-one stock split and dividend increase.

The Montreal Industrial Index put on 0.50 to 180.80. Banks 1.39 to 274.43 and Papers 0.91 to 112.56. Utilities shed 0.07 to 169.65.

## Tokyo

Prices rose sharply in active trading, led by Pharmaceuticals and Electricals, despite the Yen's strength. Volume 290m (230m) shares.

The market was encouraged by the improved margin trading positions with a sharp fall in the outstanding balance of buying orders.

Pharmaceuticals were bought on expected better business prospects, while Electricals and Electronic Components also gained ground.

Sony rose Y50 to 1,700, **Pioneer Electronic** Y110 to 1,810, **Matsushita Electric** Y15 to 731, **Fujisawa Pharmaceutical** Y62 to 985 and **Green Cross** Y80 to 1,920.

Constructions were also higher, as were other issues related to Government investment in Public Works.

Foodstuffs moved up.

## Hong Kong

Market closed slightly higher on local and overseas interest in moderately active trading. Hang Seng Index rose 3.81 to 544.85.

**Swire Pacific** firmed 5 cents to HK$8.05 and **Wheelock** 2½ cents to HK$3.125, while other leaders rose around 10 each, taking **Hong Kong Bank** to 17.80, **Hong Kong Land** to 9.45, **Hutchison Whampoa** to 6.15 and **Jardine Matheson** to 15.60.

**Hong Kong Telephone** moved up 50 cents to 34.00 after its earlier announcement of higher charges. **Hong Kong Hotels** gained 30 cents to 15.50, while **Cheong Kong** at 8.60 and **Hong Kong Electric** at 5.95 each put on 10 cents.

## Germany

Prices rose in relatively quiet trading.

In Banks **Commerzbank** gained DM2 to 228.2. **Siemens** were up DM1.30 at 291.3, **BASF** firmed DM1.10 to 129.4 and **Kaufhof** DM4.50 to 224.5.

MAN put on DM2.50 to 198.3 in Engineerings.

Public Authority Bonds were again weak, shedding up to 40 pfennigs. The Regulating Authorities purchased a nominal DM57.7m worth of stock. Mark Foreign Loans continued mixed.

## Paris

French prices recovered some of their losses of the last two sessions in dull trading. The rise of 0.6 per cent in the market indicator at the close was essentially due to buying by Institutional investors in the absence of any significant selling orders.

Rubbers, Mechanicals, Stores, Electricals and Oils were well-placed at the close, while other sectors were irregularly traded. Noticeably higher were **Cetelem, Schneider, Saint-Louis, Generale d'Entreprise, Kleber, Poclain, Matra, CFP** and **Rhone-Poulenc**. Marked lower were **Ball Equipment, Poliet, Labinal, Cotelle** and **UTA**.

Advances predominated among Germans, Canadians and Gold Mines in otherwise mixed International issues.

## Australia

Markets drifted aimlessly and brokers expect little action while end of financial year factors persist.

Banks gained, with the **ANZ** rising 7 cents to A$3.12.

**BHP** lost 12 cents to $6.82, while **CSR** held steady at $2.98 following its annual report.

Among Coals, **Coal and Allied** put on 2 cents to $4.0 and **Thiess** were up 7 cents to $2.67.

**Austen and Butta** eased 5 cents to $1.75. **White Industries** gained 8 cents to $1.78—last week it said it was looking for overseas investment to develop its Ulan coal deposits in NSW.

**Pancontinental** dipped 40 cents to $13.50. Other Uraniums were steady.

## Switzerland

Prices were narrowly irregular in continued quiet trading.

Among Banks, **Union Bank of Switzerland** declined SwFrs 20 to 3,060 while, among **Financials, Interfood** rose SwFr 150 to 4,050. In Insurances, **Winterthur** bearer eased slightly.

Domestic and Foreign Bonds were little changed in quiet dealings.

In a quiet Foreign sector, Dollar stocks were very steady. Exception was actively traded **Penn Central** which lost about 10 per cent. Dutch Internationals were mixed while Germans were higher.

## Amsterdam

The general trend was irregular. Of the traded Dutch stocks, 89 rose while 105 declined.

Bank and Insurance shares were weak. But **Amsterdam-Rotterdam Bank** were up Fl 0.30 to 76.20 and **Amey Insurance** Fl 1.50 to 80.5.

Transportations declined. **Van Ommeren**, however, moved up Fl 2.9 to 142.

Dutch Industrials were mixed. **Bols Distilleries** were down Fl 1.40 to 71, **Elsevier Publishing** rose Fl 3 to 283, **Ogem Holding** off Fl 1.5 to 29, **Pakhoed** Fl 3.60 higher at 41, **Stevin Group International Contracting** declined Fl 2 to 130. **VMF-Stork Engineering** rose Fl 1.9 to 44.50.

On the Bond market, losses averaged Fl 0.10 to Fl 0.20.

## Brussels

Belgian shares were mixed in moderate trading.

Steels were little changed following tentative agreement to end the strike which has hit the sector during the past week.

In Foreign stocks, U.K., Germans and U.S. issues rose, Dutch were little changed, French were mixed, while Gold Mines were slightly lower.

## Oslo

Banking shares were quiet, while Insurances and Industrials were unsteady. Shippings were mixed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Ptas.500 denom. unless otherwise stated.
♣ Kr 100 denom. unless otherwise stated.
◊ Frs 500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased.

## NEW YORK

[illegible]

## CANADA

[illegible]

† Bid ‡ Asked § Traded ¶ New stock

## EUROPEAN OPTIONS EXCHANGE

| Series | | July Last | July Vol. | Oct. Last | Oct. Vol. | Jan. Last | Jan. Vol. | Stock |
|---|---|---|---|---|---|---|---|---|
| Akzo | F27.50 | — | — | 3.20 | 5 | 4.50 | 2 | F28.40 |
| Akzo | F30 | — | — | 1.80 | 11 | 3 | 6 | F28.40 |
| Akzo | F32.50 | — | — | — | — | 2 | 15 | F28.40 |
| E. Kodak | $45 | 9¼ | 1 | - | — | -- | -- | $53⅞ |
| E. Kodak | $50 | — | — | 6½ | 3 | 7⅜ | 10 | $53⅞ |
| E. Kodak | $60 | - | — | 2 | 12 | 5⅛ | 2 | $53⅞ |
| IBM | $260 | 6 | 5 | - | — | -- | -- | $260⅛ |
| IBM | $280 | ¾ | 5 | 5¼ | 4 | 9½ | 1 | $260⅛ |
| KLM | F150 | — | -- | 8 | 37 | 13 | 32 | F144 |
| KLM | F160 | 2.80 | 16 | 7 | 48 | 9.50 | 48 | F144 |
| KLM | F170 | 1.10 | 20 | 3.90 | 11 | 8.10 | 9 | F144 |
| KLM | F180 | 0.50 | 18 | 3.50 | 9 | 6 | 3 | F144 |
| KLM | F190 | - | — | 2.80 | 11 | 6 | 2 | F144 |
| KLM | F200 | 0.10 | 5 | 2 | 3 | 2.50 | 8 | F144 |
| KLM | F220 | -- | — | 1.50 | 5 | 1.80 | 5 | F144 |
| Nat Ned | F100 | 4 | 3 | -- | -- | 9 | 8 | F103.10 |
| Nat Ned | F110 | -- | — | — | -- | 4.50 | 3 | F103.10 |
| Nat Ned | F120 | — | — | — | -- | 1.50 | 10 | F103.10 |
| PHI | F25 | 1.60 | 102 | 2 | 125 | 3 | 3 | F26.30 |
| PHI | F27.50 | 0.20 | 5 | 0.80 | 30 | 1.50 | 10 | F26.30 |
| R. D. | F120 | 10.30 | 10 | 12 | 4 | 12.50 | 30 | F130.60 |
| R. D. | F130 | 1.70 | 94 | 4.70 | 12 | — | — | F130.60 |
| R. D. | F140 | — | — | 1.70 | 2 | 2.70 | 19 | F130.60 |
| Unilever | F110 | — | — | 10.50 | 23 | — | -- | F120 |
| Unilever | F120 | 1 | 1 | — | — | 5.10 | 10 | F120 |
| Unilever | F130 | — | — | 1.20 | 20 | — | — | F120 |

| Series | | Aug. Last | Aug. Vol. | Nov. Last | Nov. Vol. | Feb. Last | Feb. Vol. | Stock |
|---|---|---|---|---|---|---|---|---|
| OXY | $20 | - | — | 3⅛ | 2 | | . | $22¼ |

## BASE LENDING RATES

| | |
|---|---|
| A.B.N. Bank ............ 10 % | ■ Hambros Bank ......... 10 % |
| Allied Irish Banks Ltd. 10 % | ■ Hill Samuel ............§10 % |
| American Express Bk. 10 % | C. Hoare & Co. .........† 10 % |
| Amro Bank ............... 10 % | Julian S. Hodge ......... 11 % |
| A P Bank Ltd. ......... 10 % | Hongkong & Shanghai 10 % |
| Henry Ansbacher ...... 10 % | Industrial Bk. of Scot. 9 % |
| Banco de Bilbao ...... 10 % | Keyser Ullmann......... 10 % |
| Bank of Credit & Cmce. 10 % | Knowsley & Co. Ltd.... 12 % |
| Bank of Cyprus ........ 10 % | Lloyds Bank ............ 10 % |
| Bank of N.S.W. ......... 10 % | London Mercantile ... 10 % |
| Banque Belge Ltd....... 10 % | Edward Manson & Co. 11½% |
| Banque du Rhone ...... 10½% | Midland Bank ............ 10 % |
| Barclays Bank ......... 10 % | ■ Samuel Montagu ...... 10 % |
| Barnett Christie Ltd.... 11 % | ■ Morgan Grenfell ...... 10 % |
| Bremar Holdings Ltd. 11 % | National Westminster 10 % |
| Brit. Bank of Mid. East 10 % | Norwich General Trust 10 % |
| ■ Brown Shipley ......... 10 % | P. S. Refson & Co. ... 10 % |
| Canada Perm't. Trust 10 % | Rossminster Accept'es 10 % |
| Capitol C & C Fin. Ltd. 10 % | Royal Bk. Canada Trust 10 % |
| Cayzer Ltd. ............... 10 % | Schlesinger Limited ... 10 % |
| Cedar Holdings ......... 10½% | E. S. Schwab ............ 11½% |
| ■ Charterhouse Japhet... 10 % | Security Trust Co. Ltd. 11 % |
| Choulartons ............ 10 % | Shenley Trust ............ 11 % |
| C. E. Coates ............ 11 % | Standard Chartered ... 10 % |
| Consolidated Credits... 10 % | Trade Dev. Bank ...... 10 % |
| Co-operative Bank ...*10 % | Trustee Savings Bank 10 % |
| Corinthian Securities... 10 % | Twentieth Century Bk. 11 % |
| Credit Lyonnais ......... 10 % | United Bank of Kuwait 10 % |
| The Cyprus Popular Bk. 10 % | Whiteaway Laidlaw ... 10½% |
| Duncan Lawrie ......... 10 % | Williams & Glyn's ...... 10 % |
| Eagil Trust .............. 10 % | Yorskhire Bank ......... 10 % |
| English Transcont. ... 10 % | ■ Members of the Accepting Houses Committee |
| First London Secs. ..... 10 % | * 7-day deposits 7%, 1-month deposits 7½%. |
| First Nat. Fin. Corpn. 11 % | † 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼%, and over £25,000 7½%. |
| First Nat. Secs. Ltd. ... 11 % | ‡ Call deposits over £1,000 7%. |
| ■ Antony Gibbs ............ 10 % | § Demand deposits 7½%. |
| Greyhound Guaranty... 10 % | |
| Grindlays Bank .........‡10 % | |
| ■ Guinness Mahon ...... 10 % | |

هكذا من الأصل

# UK share farming study urged

By Our Commodities Staff

BRITAIN SHOULD study the potential benefits of share farming, the Centre for Farm Management said in evidence to the Northfield Committee.

The centre, part of the British Institute of Management, said that it would welcome increased opportunities for share farming along the lines already practised successfully in New Zealand.

It also warned the committee, which is studying the pattern of land ownership in Britain, that if personal taxation were maintained at present levels, preventing would-be farmers from accumulating enough money to buy farms, the existence of the traditional owner-occupier farmer might be jeopardised.

The centre said that it favoured more partnerships between managers and landowners "to help provide involvement and a sense of security for the individual on the one hand, and continuity of the enterprise for the owner on the other.

"Opportunities for partnership are on the increase for managers with a proven record of successful farm management, but the opportunities remain rather limited due to present legislation covering security of tenure and hereditary tenancies."

# Wheat pact negotiators 'will meet deadline'

BY JOHN EDWARDS, COMMODITIES EDITOR

THE INTERNATIONAL Wheat Council was confident yesterday that the basic terms of a new International Wheat Agreement will be hammered out in time to meet a July 12 deadline set by delegates at the Multilateral Trade Negotiations which conclude in Geneva on July 15.

The wheat pact talks were suspended on Thursday last week to give participating countries time to go back for further consultations.

But they restart on July 7—an unusual date to start since it is a Friday—in an attempt to finalise the new round of discussions by July 12.

The wheat pact talks are closely linked with the Multilateral Trade Negotiations since they are part of the overall agricultural package, which influences the negotiations on trading in industrial products.

However, there are still several stumbling blocks to be overcome before there is any chance of a new international agreement being settled at the full-scale negotiating conference due to be held in September.

Some of the main disputes that made agreement impossible during the six-week negotiating conference in the spring have now been resolved. The EEC is taking a much softer line on its demand for coarse grains — maize, barley and sorghum—to be included with wheat in an overall grains agreement.

Although still arguing that wheat and coarse grains are too closely linked to be dealt with separately, the EEC has conceded that it will be content with the setting up of definite arrangements which will ensure that consultations take place in the event of certain developments affecting supply and demand of coarse grains.

It is also understood that the differences between the U.S. and the EEC over fixed minimum and maximum prices have been resolved with the replacement of "notional" prices at which action is triggered off.

The actual levels, however, have yet to be agreed.

There is still considerable disagreement and confusion over the size of reserve stocks of wheat to be maintained, over and above working stocks.

The EEC believes that 15m tonnes should be enough, and that, anyway, there are unlikely to be firm commitments above that level, while other countries maintain that 30m tonnes is needed.

This leads on to the other main sticking point—supply assurances demanded by importing countries. In the event of a shortage importing members would like a guarantee that their normal requirements will be met whatever happens—or at least that they will be given priority at reasonable prices over non-member countries.

Even more troublesome is the problem of managing the reserve stocks, creating the storage capacity required especially in developing countries and most important deciding who is going to pay these costs, and the potentially huge bill of acquiring the reserves and financing them.

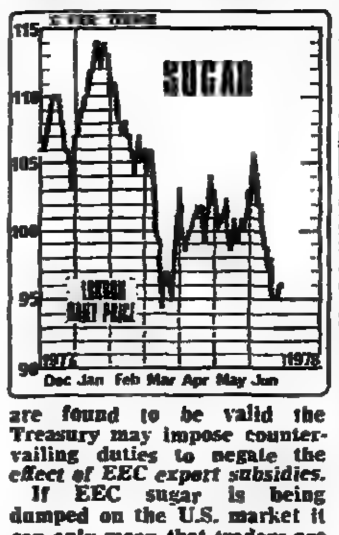
Nevertheless, it is felt that since the Multilateral Trade Negotiations could be torpedoed by the failure to reach agreement on wheat, there will be considerable pressure to resolve the outstanding differences on countries that might normally take a more firm stance.

# Surprise at U.S. sugar allegation

By Our Commodities Staff

EEC AGRICULTURE officials said yesterday that they were surprised at allegations that Common Market sugar is being dumped on the U.S. market. Community prices are considerably higher than world market prices and export subsidies only bring prices down to world levels, EEC Commission officials said.

The U.S. Treasury announced on Tuesday that it was investigating complaints by beet sugar producers in Michigan that 50,000 tonnes of Community sugar being landed in Savannah, Georgia, was being "dumped." If the complaints




are found to be valid the Treasury may impose countervailing duties to negate the effect of EEC export subsidies.

If EEC sugar is being dumped on the U.S. market it can only mean that traders are accepting a lower than customary profit margin, the Commission officials commented.

At yesterday's EEC sugar export tender in Brussels export rebates of 25.825 units of account per 100 kilos were granted on 35,250 tonnes of white sugar.

Though yesterday's total was higher than the previous week's it was still somewhat lowe rthan the 40,000 to 60,000 tonnes of sugar which has been authorised for export each week for most of the current season. London sugar market sources said this was because traders were finding it increasingly difficult to put together sufficiently large parcels of sugar as the season nears its end.

They said about 74,000 tonnes of EEC whites remain to be exported so if sales continue at the current levels the 1977-78 crop surplus should be virtually cleared within two or three weeks.

Prices were little changed on the London sugar futures market yesterday with the October position closing £1.65 lower at £99.625 a tonne.

SOLOMON ISLANDS

# Staking its claim in the fishing boom

BY IRENE HAWKINS

THE HUNDREDS of foreign fishing boats which now roam unrestricted through the South Pacific in pursuit of valuable skipjack tuna may not be able to do so much longer.

About A$400m worth of fish — a large part of it skipjack tuna — is caught every year in South Pacific waters, with most of the benefit going to fishing vessels from Korea, Taiwan and Japan and to foreign canners, above all the two big U.S. canneries in American Samoa.

After several months of stonewalling the U.S. appears to have changed its view on the controversial issue of controlling the fishing of highly migratory species within the 200-mile zone. It now seems prepared to join a regional management scheme.

This should mean that the proposed regional fisheries agency, with headquarters in Honiara, the capital of the Solomon Islands, will be able to give licences for fishing and lay down conservation regulations for the fish that matter most in the region—skipjack and other tuna fish.

## Long season

The Solomon Islands, whose waters are a much favoured fishing ground for foreign boats — there are reputed to be 400 Japanese boats alone operating in its waters — stands to gain especially. With islands scattered over more than 1,000 miles, its fishing zone is particularly large, measuring about ¾m square miles In addition its tuna fishing season stretches over eight months instead of four as in Fiji, for example.

Unlike most other South Pacific island communities, which have watched, powerless, the exploitation of one of their main assets by foreign fishermen, the Solomon Islands has already secured a stake in the foreign fishing operations through a joint skipjack tuna fishing and processing company formed with the big Japanese Taiyo Fisheries Company.

Fiji runs a substantial canning operation in co-operation with some Japanese investors and a big cannery is expected to be built in Papua-New Guinea this year, but so far the Solomon Taiyo company is the only successful joint venture embracing both catching and processing in the South Pacific. The joint venture agreement has become a model for other South Pacific countries anxious to secure similar deals.

In return for investment of about A$ 5.5m since 1973 in canning and freezing equipment as well as several fishing boats, Solomon Taiyo, in which the Solomon Island Government has a free 25 per cent stake—has obtained exclusive fishing rights within the 12-mile limit.

So far the company owns only four fishing boats out of a total fleet of 20. The remainder are chartered and manned with a mixed crew of Okinawans and Solomon Islanders. The company's main operation is at Tulagi, the pre-war capital of the Solomon Islands, where a fairly modest cannery, built from second-hand Japanese equipment, processed about 2,000 tonnes of raw fish (about two thirds of capacity) last year.

Nearly three-quarters of this was exported to Britain, with Germany developing into an important, second market. Three-quarters of all skipjack landed at Tulagi, as well as of catches delivered to the second base at Noro in the Western Solomons was exported frozen—mostly to U.S. canneries in American Samoa, Puerto Rico and the U.S. mainland, with a small amount also going to Japan.

While the shortage of raw fish has kept prices up, the company has preferred to sell frozen rather than canned fish. It is planning to increase its canning capacity substantially, however, with a second, modern factory at Noro. The new cannery, for which a feasibility study will be undertaken next year, will be at least three times the size of the Tulagi plant.

## Capacity

Fiji is aiming to increase its canning capacity from the present 15 tons a day to 35 tons by 1980. Some observers fear, however, that there may be a glut of canned tunafish on the European market in the next few years, as former British colonies like Fiji and the Solomon Islands take advantage of their duty-free market access under the Lomé Convention. An import duty of 35 per cent makes exporting to the U.S., the world's largest consumer of tuna, virtually impossible.

Solomon Taiyo's importance to the Solomon Islands' economy has been growing by leaps and bounds in line with the rather marked fluctuations in catches These—and exports—have trebled between 1973 and 1976, and this year the company hopes to exceed its 1976 record.

The catch per boat per day at sea has risen from 3.35 tons to 4.52 tons in the same period. In both 1976 and 1977 fish topped the export table ahead of the traditional export earners, copra and timber. Last year fish accounted for 28 per cent of all exports.

## Freezer boats

Provided that the present trials prove successful, Solomon Taiyo will open up a third fishing base in the Shortlands, in the northern part of the archipelago, this year. A three-year pilot project for longline fishing of tuna and tuna types will introduce a fishing technique hitherto unknown in the Islands. It is hoped that this will tap the rich resources of big-eye and yellow-fin tuna in the deeper layers of the Solomon waters. These types of fish fetch a high price in Japan on the sashimi (raw fish) market.

In the next few years both the fleet of fishing boats and the local stake in the fleet is to increase substantially. It is envisaged that by 1982, eleven of the 35 tuna fishing vessels should be company boats, with another 10 owned by and chartered from a National Fisheries Development Company which is to be set up. By that time, too, four preferably locally-owned freezer fishing boats should be in operation, with the rest of the fleet on charter.

Hand in hand with this build-up of a national fleet will go an extensive training programme for local fishermen who have already shown that they can stand on their own against the famous Okinawan fishermen.

Japanese expertise and aid will be very much involved in all this. As the world's second largest consumer of fish, Japan has good reason to be vitally concerned about safeguarding its access to the South Pacific fisheries industries and about their development.

# Poor response to milk offer

BY CHRISTOPHER PARKES

ONLY ABOUT half Britain's eligible schoolchildren seem likely to get free milk under the EEC subsidy scheme for 7 to 11-year-olds approved at the Common Market farm price review last month.

Angry farmers have renewed their pressure on reluctant local education authorities, and the National Dairy Council, which represents all factions in the milk industry, has sent a leaflet explaining the benefits of the scheme to all MPs and members of the House of Lords.

Early assessments of the response to the offer show 18 local authorities willing to take it up, but 22 rejecting it—mainly on grounds of cost and the difficulty of persuading teachers to supervise distribution.

Among those councils accepting the offer, several are preparing to give milk for the two terms during which all the cost is borne by the EEC subsidy and then to review their position in March when they should have to start making a contribution of 1p to 1½p on every ⅓-pint bottle.

In Cornwall, where the county education committee decided against extending free milk to children up to 11, the local National Farmers' Union has launched a campaign to overturn the decision at the full county council meeting next month.

Mr. Fred Hain, the farmers' leader, has asked to see the chairman of the council. "They don't seem to have understood the scheme," he said.

"Extending free milk would cost the county council nothing for the first two terms. Even after that, the council's contribution will come to only 1p per child per day."

Officials of the south eastern branch of the National Farmers' Union have approached the chief executive and the leader of the Greater London Council claiming it is "essential" that children should be given free milk.

Kent, Surrey, West Sussex and Hampshire councils are understood to have rejected the idea of extending free milk to older junior school children.

The union points out that two-thirds of the subsidy coming from the Common Market was contributed by dairy farmers in the form of the co-responsibility levy on milk delivered to creameries.

At the Department of Education and Science, which will administer the scheme, only six formal replies have been received so far to the offer. The London boroughs of Hillingdon and Richmond have accepted while the county councils of Kent, Shropshire, Cambridgeshire and Dorset have said no.

Officials pointed out that a complete tally would not be available for some time. Councils have until September to make up their minds.

The National Dairy Council, which has already publicised the scheme through popular Press advertising and is now lobbying Members of Parliament, is also planning to extend its publicity campaign.

Farmers are particularly eager to have the free milk programme adopted because they fear that declining sales of liquid milk threaten their incomes.

Low prices paid by dairies for milk processed into butter and cheese are normally bolstered by the higher income from the more profitable liquid market.

Liquid sales, however, are now declining steadily and any opportunity to slow the trend will be seized by the farming community.

# Farmers 'losing 12p on every dozen eggs'

By Robin Reeves, Welsh Correspondent

BRITISH EGG producers face their heaviest losses for years, according to Mr. T. Myrddin Evans, president of the Farmers' Union of Wales.

He told a meeting in Aberystwyth that since the beginning of the year average packer-to-producer prices had slumped 10p a dozen. The cost of feed for producers had meanwhile increased £10 a tonne.

Egg producers were now losing 12p on every dozen eggs sold as the result of a savage cost-price squeeze which would inevitably lead to a cut back in the country's laying and rearing flocks.

Mr. Evans, an egg farmer himself, urged the eggs authority to give serious consideration to a hen culling scheme if the position did not improve.

There was some hope, however, that housewives might appreciate that eggs were now a bargain, so that retail sales would be stimulated to take up the surplus.

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Slightly easier in extremely subdued trading on the London Metal Exchange. Forward metal traded within a £3 band and finished around the day's low of £717, reflecting a general lack of interest and a weak dollar against sterling. Turnover: 11,850 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £698.5, three months £719, 18.5, 18, 18.5. Cathodes, cash £695. Kerb: Wirebars, three months £718.5, 18, 18.5. Afternoon: Wirebars, cash £698, three months £718, 17.5. Cathodes, cash £693.5, three months £713.5. Kerb: Wirebars, three months £717.5, 17.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 698-.5 | —2.25 | 697.5-8 | —2.25 |
| 3 months | 718-9 | —.75 | 717-8 | —2.25 |
| Settlem't | 698.5 | —2 | — | ...... |
| Cathodes | | | | |
| Cash | 694.5-5 | —1 | 692-3 | [illegible] |
| 3 months | 714-5 | —.75 | 712-3 | —2.75 |
| Settlem't | 695 | —1 | — | ...... |
| U.S. Prod. | — | ...... | *66.5-68 | ...... |

TIN—Barely changed in quiet and featureless trading. After opening at £6,650 on the pre-market, reflecting news that the GSA had suspended sales of tin, profit-taking and hedge selling depressed the price to £6,605 on the kerb. In the afternoon it drifted further following U.S. selling and closed at £6,580 on the late kerb. Turnover: 1,355 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 6750-60 | +7.5 | 6715-20 | +15 |
| 3 months | 6650-60 | +10 | 6620-30 | +2.5 |
| Settlem't | 6760 | +10 | — | ...... |
| Standard | | | | |
| Cash | 6745-55 | +7.5 | 6710-20 | +12.5 |
| 3 months | 6620-30 | ...... | 6595-6600 | +5 |
| Settlem't | 6755 | +10 | — | ...... |
| Straits E. | $1745 | +18 | — | ...... |
| New York | — | ...... | — | ...... |

Morning: Standard, cash £6,750, three months £6,610, 15, 20, 25, 30, 40, 35, 30. Kerb: Standard, three months £6,625, 15, 05, £6,600, 10, 15. High Grade, cash £6,750. Afternoon: Standard, cash £6,715, three months £6,610, £6,600, 05, £6,600, £6,580, 95, £6,600, £6,595. Kerb: Standard, three months £6,600, £6,595, £6,600, £6,580, 80.

LEAD—Dull and featureless in line with other base-metals. Forward metal traded within £316 and £317.5 prior to closing at £317 on the late kerb. Turnover: 2,225 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 306.5-7 | ...... | 307-.5 | +1.12 |
| 3 months | 316-7 | +.5 | 316.75-7 | +1.12 |
| Settlem't | 307 | ...... | — | ...... |
| U.S. Spot | — | ...... | *61-65 | ...... |

Morning: Three months £316, 16.5. Kerb: Cash £306.5. Three months £316.5.

ZINC—Easier, mainly reflecting lack of interest, with forward metal moving within narrow limits to close barely changed at £311 on the late kerb. Turnover, 2,300 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 299.5-300.5 | —2.75 | 300.5-1 | —1 |
| 3 months | 309.5-10 | —1.75 | 310.5-1 | —.5 |
| S'ment | 300.5-2 | ...... | — | ...... |
| Prim. West | — | ...... | 29.31 | ...... |

Morning: Three months £311, 10. Afternoon: Three months £310, 10.5. Kerb: Three months £311.

## SILVER

Silver was unchanged at the fixing in yesterday's London bullion market, at 289.8p. The U.S. cent equivalents of the fixing levels were: spot 537.3c, up 3.3c; three-month 547.3c, up 3.3c; six-month 558.3c, up 3.2c; and 12-month 581.3c, up 3.9c. The metal opened at 289.1-290.1p (535-537c) and closed at 289.9-290.9p (536-537½c).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. close | + or — |
|---|---|---|---|---|
| Spot | 289.8p | +0.8 | 289.95p | +0.65 |
| 3 months | 297.4p | +0.7 | 297.35p | +0.7 |
| 6 months | 305.7p | +0.8 | — | ...... |
| 12 months | 322.6p | +1.1 | — | ...... |

LME—Turnover 88 (99) lots of 10,000 ozs. Morning: Three months 297.8, 7.9, 98. Kerb: Three months 297.7, 7.6. Afternoon: Three months 297.7, 7.6, 7.5, 7.4. Kerb: Three months 297.4, 7.3, 7.2.

## COCOA

Market fluctuated within a narrow range closing steadily, Gill and Duffus reported. Trading was quiet.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| No.3 Contract | | | |
| July | 1862.0-54.0 | +16.5 | 1868.0-25.0 |
| Sept | 1816.0-18.0 | +36.0 | 1827-1780 |
| Dec | 1771.0-75.0 | +30.75 | 1776.0-50.0 |
| March | 1740.0-44.0 | +28.5 | 1746.0-21.0 |
| May | 1715.0-30.0 | +26.0 | 1716-1700 |
| July | 1695.0-1700 | +24.0 | 1705.5-1685 |
| Sept | 1676.0-85 | +20.0 | — |

Sales: 3,445 (2,468) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price June 27: 140.65 (141.82). Indicator prices June 28: 15-day average 135.45 (134.79); 22-day average 134.56 (134.41).

## COTTON

COTTON, Liverpool—Spot and shipment sales amounted to 306 tonnes, bringing the total for the week so far to 452 tonnes. Broader demand based on steadier price levels was mainly in Latin American and African styles, F. W. Tattersall reported. Further quantities of Middle Eastern remained in request.

## COFFEE

Robustas declined at the start of a quiet day's trading. Trade interest was light as the market steadied in the afternoon and at the close values were £20 to £30 higher on balance, Drexel Burnham reported.

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| July | 1636-1637 | +31.0 | 1645-1584 |
| September | 1505-1507 | +17.0 | 1510-1456 |
| November | 1405-1407 | +27.0 | 1410-1357 |
| January | 1340-1343 | +26.5 | 1335-1293 |
| March | 1270-1285 | +20.0 | 1290-1240 |
| May | 1245-1255 | +20.0 | 1245-1225 |
| July | 1210-1250 | +20.0 | 1200-1150 |

Sales: 3,092 (3,293) lots of 5 tonnes.

ICO Indicator prices for June 27 (U.S. cents per pound): Colombian Mild Arabicas 190.00 (197.50); unwashed Arabicas 174.00 (same); other mild Arabicas 162.50 (162.00); Robustas 141.50 (143.00). Daily average 152.00 (152.50).

ARABICAS—Close (no business done): June 153.00-163.00, Aug. 175.00-178.00, Oct. 160.00-166.00, Dec. 146.00-155.00, Feb. 140.50-150.00, April 134.00-146.00, June 130.00-142.00.

## GRAINS

LONDON FUTURES (GAFTA)—Prices opened 20p lower. Wheat initially traded 25p lower, but good buying support rallied the market and prices closed 20-30p higher. Barley saw good buying support, closing unchanged to 20p higher, ACLI reported.

| | WHEAT | | BARLEY | |
|---|---|---|---|---|
| M'nth | Yesterday's close | + or — | Yesterday's close | + or — |
| Sept. | 84.70 | +0.30 | 79.30 | —0.20 |
| Nov. | 87.50 | +0.25 | [illegible] | +0.15 |
| Jan. | 90.20 | —0.75 | 84.70 | +0.15 |
| Mar. | 92.70 | +0.20 | 87.30 | +0.10 |
| May | 95.35 | +0.20 | 89.85 | — |

Business done—Wheat: Sept. 84.75-84.20, Nov. 87.50-87.00, Jan. 89.90-89.75, March 92.45-92.40, May 95.35-95.05. Sales: 74 lots. Barley: Sept. 79.25-78.95, Nov. 82.00-81.70, Jan. 84.70-84.40, March unquoted, May unquoted. Sales: 54 lots.

IMPORTED—Wheat: CWRS No. 1 13½ per cent, June unquoted, July and August £93.50, Tilbury; U.S. Dark Northern Spring No. 2, 14 per cent, June and July £82.25, August £82.50 transhipment East Coast sellers: EEC Feed, June and July £97.50, August £96.00 East and West Coast sellers. Other grades unquoted.

Maize: U.S./French June and July £103.50, August £98.25, transhipment East Coast sellers; South African White Sept. £73.00, Liverpool; South African Yellow Sept. £72.50, Liverpool sellers.

HGCA—Ex-farm spot prices, June 28. Feed wheat: Hertford £86.40. Feed barley: Hertford £79.70.

UK monetary co-efficient for week from July 3 is expected to be unchanged.

EEC IMPORT LEVIES—Effective today, in units of account a tonne, in order current levy plus July, August and Sept. premiums, with previous in brackets: Common wheat—89.34, 0.17, 0.17, 0.17 (88.51, 0.50, 0.50, nil); Durum wheat—123.79, nil, nil, nil (same); Rye—86.64, nil, nil, nil (87.64, nil, nil, nil); Barley—83.59, nil, nil, nil (same); Oats—81.40, nil, nil, nil (79.63, nil, nil, nil); Maize (other than hybrid for seeding)—75.65, nil, nil, nil (77.99, nil, nil, nil); Millet—81.94, nil, nil, nil (same); Grain sorghum—83.60, nil, nil, nil (82.97, nil, nil, nil). Also for flours: Wheat or mixed wheat and rye—137.30 (136.15); Rye—136.31 (134.91).

EEC THRESHOLD PRICES—The Commission set the following threshold prices for cereal imports into the Community for the new marketing year from August 1, in units of account per tonne: Common wheat and meslin 158.40, rye 152.15, barley and maize 144.25, durum wheat 221.30, oats 138.75, buckwheat, sorghum, millet and canary seed 142, wheat and meslin flour 245.20, rye flour 237, groats and common cereal meal 264.90, groats and durum cereal meal 350.90.

## JUTE

DUNDEE JUTE—Firm. Prices c and f UK for Oct.-Dec. shipment: BWB £265, BWC £254, BWD £247. Tossa BTB £265, BTC £255, BTD £248. Calcutta goods steady. Quotations c and f UK for June shipment: 10-oz 40-in £9.64, 7½-oz £7.34 per 100 yds. July £9.64 and £7.66, Aug. £9.75 and £5.68. "B" Twills: £26.53, £26.93 and £27.45 for respective shipment periods. Yarn and cloth quiet.

## RUBBER

EASIER opening on the London physical market. Unsettled throughout the day, closing quietly uncertain. Lewis and Peat reported a Malaysian godown price of 237 (240) cents a kilo nominal buyer.

| No.1 R.S.S. | Yest'day's close | Previous Close | Business done |
|---|---|---|---|
| Aug. | 57.00-57.50 | 58.75-59.20 | 58.00-57.25 |
| Jly-Sept | 58.00-58.40 | 60.95-61.05 | 58.00 |
| Oct-Dec | 59.80-60.00 | 62.80-63.00 | 60.00-59.50 |
| Jan-Mar | 61.80-61.90 | 64.40-64.45 | 62.00-61.50 |
| Apr-Jne | 63.50-63.55 | 65.85-65.90 | 64.55-63.20 |
| Jly-Sept | 64.75-64.80 | 67.25-67.50 | 65.10-64.80 |
| Oct-Dec | 66.10-66.20 | 68.70-68.75 | 67.00-66.00 |
| Jan-Mar | 67.50-67.55 | 69.95-70.00 | 67.80 |
| Apr-Jne | 68.80-69.00 | — | 69.00-68.80 |

Sales: 402 (342) lots of 15 tonnes and 5 (9) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 56.25p (57.5); August 57.75p (59.75); Sept. 58.25p (59.0).

## SOYABEAN MEAL

Market opened 50p down, reflecting the Chicago market. Values gradually drifted lower on light liquidation in a thin volume. At the close losses ranged from £1.50-£2.00, SKW Commodities reported.

| | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| August | 119.00-19.8 | —1.70 | 120.00-19.10 |
| October | 121.10-21.8 | —1.95 | 123.00-21.10 |
| December | 120.80-21.0 | —2.15 | 121.10-20.90 |
| February | 121.50-22.5 | —2.50 | — |
| April | 122.00-24.0 | —3.00 | — |
| August | 124.10-26.0 | —3.50 | — |

Sales: 36 (30) lots of 100 tonnes.

## SUGAR

LONDON DAILY PRICE (raw sugar) £96.00 (same) a tonne cif for June-July-August shipment. White sugar daily price was fixed at £105.00 (same).

The market opened about 50 points below kerb levels after reports that Sri Lanka had cancelled their tender yesterday. Later, New York prices fell and further losses of up to 50 points occurred. Final prices were around the low points of the day, C. Czarnikow reported.

| Sugar Pref. Comm. Con. | Yesterday's Close | Previous Close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Aug. | 97.60-97.70 | 99.00-99.10 | 98.40-97.60 |
| Oct. | 99.50-99.75 | 101.05-01.10 | 101.40-99.40 |
| Dec. | 101.60-01.75 | 103.10-03.25 | 103.40-01.50 |
| March | 109.40-09.50 | 110.50-10.75 | 111.00-09.25 |
| May | 111.80-12.00 | 113.10-15.25 | 113.50-11.50 |
| Aug. | 115.00-15.75 | 116.50-17.50 | 116.75-116.0 |
| Oct. | 118.75-19.25 | 120.00-20.25 | 120.00-19.00 |

Sales: 1,337 (1,223) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a tonne for home trade and £156.00 (same) for export.

International Sugar Agreement: Price for June 27, U.S. cents per pound fob and stowed Caribbean port: Daily 7.04 (6.96); 15-day average 7.18 (7.25).

## WOOL FUTURES

LONDON—The market was dull and featureless. Bache reported.

(Pence per kilo)

| Australian Greasy Wool | Yesterd'y's Close | + or — | Business Done |
|---|---|---|---|
| July | 231.0-35.0 | +0.25 | — |
| October | 240.0-41.5 | ...... | — |
| December | 241.0-45.0 | —0.25 | — |
| March | 240.0-48.0 | ...... | — |
| May | 240.0-48.0 | ...... | — |
| July | 246.0-49.0 | ...... | — |
| October | 247.0-50.0 | ...... | — |
| April | 248.0-52.0 | ...... | — |

Sales: Nil (1) lot of 15,000 kilos.

SYDNEY GREASY—(In order buyer, seller, business, sales). Micron Contract: July 341.5, 342.0, 343.5-342.0, 20; Oct. 346.5, 347.0, 349.0-346.0, 29; Dec. 353.2, 354.0, 353.5-353.2, 8; March 356.5, 357.5, 357.0, 357.0, 3; May 361.0, 361.5, 361.2-361.0, 21; July 364.0, 364.5, 364.2-364.0, 6; Oct. 366.0, 367.0, untraded; Dec. 369.2, 369.5, 369.2-369.0, 9. Total sales: 116 lots.

## MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 58.0 to 59.0; Ulster hindquarters 73.0 to 75.0, forequarters 34.0 to 36.0; Eire hindquarters 72.0 to 75.0, forequarters 34.0 to 36.0.

Veal: English fats 68.0 to 74.0.

Lamb: English small 62.0 to 64.0, special small* 66.0, medium 60.0 to 62.0, heavy 58.0 to 62.0. Imported frozen: NZ PL 53.5 to 54.0, PM 52.5 to 53.0.

Pork: English, under 100 lb 37.0 to 44.0, 100-120 lb 37.0 to 42.0, 120-160 lb 35.0 to 40.0.

Rabbits (skinned): English tame 63.0 to 64.0; Chinese 41.0 to 42.0; Australian 36.0 to 38.0.

* Very high quality produce in limited supply.

MEAT COMMISSION—Average fatstock prices at representative markets on June 28. GB cattle 71.67p per kg. l.w. (—0.31); UK sheep 144.7p per kg. est. d.c.w. (—6.3); GB pigs 62.6p per kg. l.w. (+1.1). England and Wales—Cattle numbers up 9.9 per cent, average price 71.70p (—0.73); Sheep down 5.0 per cent, average 144.5p (—6.9); Pigs down 11.2 per cent, average 62.6p (+1.1). Scotland—Cattle up 7.6 per cent, average 71.53p (+1.11); Sheep up 4.0 per cent, average 148.9p (—4.4); Pigs down 14.7 per cent, average 60.5p (—1.9).

MLC forecast rates of UK monetary compensatory amounts for week from July 3 (previous week's figures in brackets)—Fresh or chilled beef carcases 34.30p per kg. (34.30); green bacon sides £223.97 per tonne (£244.06).

COVENT GARDEN (prices in sterling per package unless stated)—Imported produce: Oranges—Cypriot: Valencia Lates 15 kilos 400-3.20; S. African: Navels 4.00-4.50. Lemons—Italian: 100/120's new crop 4.00-4.60; Spanish: Trays 1.30-1.50, large boxes 3.60-4.40; S. African: 4.30-5.50. Grapefruit—S. African: 27/72 3.40-4.50; Jaffa: 20 kilos 4.20-4.60. Apples—French: Golden Delicious 20 lb 84's 3.00-3.60, 72's 3.20-3.60, jumble boxes, per pound 0.16; W. Australian: Granny Smith 8.70; Tasmanian: Sturmer Pippins 8.20-8.90, Granny Smith 8.00; S. African: Granny Smith 5.70, White Winter Pearmain 7.40, Starking Delicious 8.20-8.40, Golden Delicious 8.20-8.60, Yorks 8.20-8.60; Chilean: Granny Smith 7.60-8.20, Starking 8.10-8.30; New Zealand: Sturmer Pippins 163 9.00, 175 9.00, Granny Smith 9.00; Italian: Rome Beauty per pound 0.16, Golden Delicious 0.16, Jonathans 0.14. Pears—S. African: Cartons, Packham's Triumph 9.50, Josephines 9.00. Peaches—Spanish: Standard trays 2.20-3.50; Italian: Standard 2.60-4.20; French: 1.70-2.60. Grapes—Israeli: Perlette 4.00; Cypriot: 12 lb Perlette 5.00, Cardinal 10.60. Plums—Spanish: 5 kilos Japs 1.20-1.40, Santa Rosa 1.50-2.40, Burbanks 2.00-2.20. Apricots—Spanish: 5 kilos 2.50-3.00. Bananas—Jamaican: Per pound 0.15.

English produce: Potatoes—Per 56 lb 2.20-2.40. Lettuce—Per 12 0.50, Cos 0.90, Webbs 0.70. Rhubarb—Per pound, outdoor 0.05. Cucumbers—Per tray 12/24's 0.90-1.20. Mushrooms—Per pound 0.40-0.50. Apples—Per pound Bramley's 0.10-0.20. Tomatoes—Per 12 lb English 2.40-2.80. Greens—Per crate, Kent 1.30. Cabbage 1.50. Celery—Per 12/18's 3.00-4.00. Strawberries—Per ½ lb 0.12-0.20. Cauliflowers—Per 12 Lincoln 1.50. Broad beans—Per pound 0.06. Peas—Per pound 0.12. Cherries—Per pound 0.50-0.60. Gooseberries—Per pound 0.20-0.22.

# EEC urged to cut substitute cereal imports

PARIS, June 28.

ACTION must be taken quickly to cut EEC imports of cereal substitutes, such as manioc, because of the unfair competition they create in the market, said M. Marcel Cazale, chairman of the French Maize Producers' Association.

He said in the editorial of the Producteur Grocile Français that the EEC risked finding itself exporting 1.25m tonnes of home-grown cereals for every million tonnes of imported cereal substitutes.

The restitutions paid on the exports, and the lack of taxes on the imported substitutes would play havoc with EEC finances.

Bearing in mind the low protein content of manioc, every million tonnes imported would require 250,000 more tonnes of soyabean meal imports to make up the protein levels.

Reuter

## PRICE CHANGES

Prices per tonne unless otherwise stated.

| | June 28 1978 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium | £680 | | £680 |
| Free market (cts) | [illegible] | [illegible] | $1000-10 |
| Copper cash W. Bars | [illegible] | [illegible] | £778.5 |
| 3 mths do. do. | [illegible] | [illegible] | £798.75 |
| Cash Cathode | [illegible] | [illegible] | £773.5 |
| 3 mths do. | [illegible] | [illegible] | £793.5 |
| Gold Troy oz | [illegible] | [illegible] | $184.575 |
| Lead Cash | [illegible] | [illegible] | £304.5 |
| 3 months | [illegible] | [illegible] | £314.125 |
| Nickel | [illegible] | [illegible] | [illegible] |
| Free Market (c/lb) | [illegible] | [illegible] | $1.85 / 2.05 |
| Platinum troy oz | [illegible] | [illegible] | £122 |
| Free Market | [illegible] | [illegible] | £158.9 |
| Quicksilver (76lbs.) | [illegible] | [illegible] | $127.82 |
| Silver troy oz | [illegible] | [illegible] | 299.75p |
| 3 months | [illegible] | [illegible] | 306.95p |
| Tin Cash | [illegible] | [illegible] | £6,515 |
| 3 months | [illegible] | [illegible] | £6,417.5 |
| Wolfram 22.04 lb cif | [illegible] | [illegible] | $151-56 |
| Zinc cash | [illegible] | [illegible] | £320 |
| 3 months | [illegible] | [illegible] | £329.75 |
| Producers | [illegible] | [illegible] | $560-600 |
| Oils | | | |
| Coconut (Phil) | $670 | [illegible] | $670 |
| Groundnut | [illegible] | [illegible] | £749 |
| Linseed Crude (v) | [illegible] | [illegible] | £585 |
| Palm Malayan | [illegible] | [illegible] | $640 |
| Seeds | | | |
| Copra Philip | [illegible] | [illegible] | $455 |
| Soyabean (U.S.) | [illegible] | [illegible] | $607 |
| Grains | | | |
| Barley EEC | | | |
| Home Futures | [illegible] | [illegible] | £83.5 |
| Maize | | | |
| French No. 3 Am | [illegible] | [illegible] | £105.25 |
| Wheat | | | |
| No. 1 Red Spring | [illegible] | [illegible] | £98.5 |
| No. 2 Hard Winter | [illegible] | [illegible] | [illegible] |
| Eng. Milling | [illegible] | [illegible] | £102 |
| Cocoa Shipment | £1,904 | +19.0 | £1,768 |
| Future Sept. | £1,816.5 | +35.0 | £1,728.5 |
| Coffee Future Sept. | £1,506 | +17.0 | £1,748.5 |
| Cotton 'A' Index | 71.55c | —0.8 | 70.9c |
| Rubber kilo | 56.25p | —1.25 | 56.5p |
| Sugar (Raw) | £96 | ...... | £102 |
| Wooltops 64s kilo | 285p | ...... | 280p |

* Nominal. ‡ Unquoted. k August. m June-August. n July-Sept. p July-Aug. r July. y August-Sept. z June-July. x Per ton.

## INDICES

FINANCIAL TIMES

| June 28 | June 27 | Month ago | Year ago |
|---|---|---|---|
| 244.73 | 244.97 | 250.57 | 250.43 |

(Base: July 1, 1952 = 100)

REUTER'S

| June 28 | June 27 | Month ago | Year ago |
|---|---|---|---|
| 1488.5 | 1496.2 | 1507.4 | 1571.5 |

(Base: September 18, 1931 = 100)

DOW JONES

| Dow Jones | June 28 | June 27 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 359.14 | 361.21 | 357.21 | 393.30 |
| Futures | 345.70 | 348.24 | 358.72 | 358.22 |

(Average 1924-25-26 = 100)

MOODY'S

| Moody's | June 28 | June 27 | Month ago | Year ago |
|---|---|---|---|---|
| Staple Commodity | 915.7 | 925.5 | 938.8 | 884.2 |

(December 31, 1931 = 100)

HIDES — London. Firm. 31-35½ kilos 57.9p per kilo. 26-30½ kilos 57.5p. 22-25 kilos withdrawn 64.4p. Light cows withdrawn 54.6p per kilo No calf offered

*

GRIMSBY FISH—Supply good, demand good. Prices a stone at ship's side unprocessed: Shelf cod £4.50-£5.20, codlings £2.90-£3.50; large haddock £4.50, medium £3.50-£5.00, small £2.70-£3.00; large plaice £4.90-£5.50, medium £4.00-£4.30; best small £3.60-£4.00; large skinned dogfish £9.00, medium £5.40; large lemon soles £6.00, medium £5.00; rockfish £2.20-£2.60; reds £2.00-£2.50; saithe £2.20-£3.00.

U.S. Markets

# Copper dips sharply; coffee gains

NEW YORK, June 28.

COPPER closed sharply lower on local selling and light Commission House stop-loss selling. Precious metals eased on speculative selling in quiet markets, Bache reported. Coffee finished slightly higher on rumours of some roaster interest. Despite heavy hedge-selling, cocoa managed to finish higher on speculative buying.

Cocoa—July 148.15 (146.80), Sept. 143.10 (141.80), Dec. 138.70, March 135.00, May 132.60, July 130.35, Sept. 128.25. Sales: 967 lots.

Coffee—"C" Contract: July 162.50 (161.78), Sept. 148.01-146.25 (148.03), Dec. 137.20, March 126.50-128.00, May 123.50-124.50, July 120.25-121.00, Sept. 117.00-118.00. Sales: 360 lots.

Copper—June deleted. July 58.30 (59.20), Aug. 59.00 (59.90), Sept. 59.60, Dec. 61.30, Jan. 61.80, March 62.90, May 63.90, July 64.90, Sept. 65.90, Dec. 67.40, Jan. 67.90, March 68.90. Sales: 6,350 lots.

Cotton—No. 2: July 56.65-57.50 (58.05), Oct. 58.61-58.65 (60.45), Dec. 60.01-60.50, March 62.00-62.15, May 63.00-63.57, July 64.95-65.20, Oct. 64.40-64.60, Dec. 64.00-65.00. Sales: 9,050 bales.

*Gold—June deleted. July 184.40 (184.90), Aug. 186.00 (186.50), Oct. 188.90, Dec. 191.00, Feb. 194.00, April 196.00, June 201.10, Aug. 204.20, Oct. 207.40, Dec. 210.60, Feb. 213.90, April 217.00. Sales: 5,188 lots.

†Lard—Chicago loose 23.50 (not available). NY prime steam 25.00 asked (not available).

‡Maize—July 247-247½ (253½), Sept. 249-249½ (255), Dec. 253-253½, March 260-260½, May 263½-264, July 265.

Platinum—July 242.50 (246.70), Oct. 245.50-246.00 (249.20), Jan. 246.70-248.90, April 251.70-251.90, July 249.90-253.10, Oct. 257.90-258.10, Jan. 261.20-261.40. Sales: 751 lots.

§Silver—June deleted. July 534.70 (533.70), Aug. 538.50 (539.20), Sept. 542.30, Dec. 554.20, Jan. 558.10, March 566.40, May 575.10, July 584.00, Sept. 593.10, Dec. 606.70, Jan. 611.30, March 620.70. Sales: 16,500 lots.

Soyabeans—July 676-678½ (682½), Aug. 667-670 (674½), Sept. 647, Nov. 629-628, Jan. 632-632½, March 639-638, May 642-638, May 642-643, July 641-642.

||Soyabean Meal—July 172.50-173.60 (173.60), Aug. 173.00-173.10 (174.20), Sept. 173.10-173.00, Oct. 172.00, Dec. 169.70-169.50, Jan. 169.70-169.80, March 172.00, May 172.50, July 173.10.

Soyabean Oil—July 25.10-25.05 (25.35), Aug. 24.50-25.30 (25.02), Sept. 24.00, Oct. [illegible]

[illegible]

All cents per pound ex-warehouse unless otherwise stated. [illegible]



CONTRACTS & TENDERS

STOCK EXCHANGE REPORT

# Advance report of economic survey subdues equities

## Interest rate worries return as U.S. levels edge higher

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| *Jun. 12* | *Jun. 22* | *Jun. 23* | *July 4* |
| Jun. 26 | July 6 | July 7 | July 18 |
| July 10 | July 20 | July 21 | Aug. 1 |

* "New time" dealings may take place from 9.30 am two business days earlier.

The level of activity in equity markets yesterday was the lowest this year despite hopes that dividend restraint would soon be abolished and speculative interest in Insurance Brokers following the new American bid for Leslie and Godwin. Early indications of an extension of Tuesday's technical rally were not fulfilled as a small demand was stifled by a report suggesting that the Cambridge group's latest economic survey was extremely gloomy.

British Funds, too, were looking distinctly dull in the end. This market also failed to maintain early promise, being unsettled by another rise in U.S. short-term interest rates which led to renewed anxieties about the current structure here, particularly in view of the Government's sizeable funding programme.

Recently announced higher dividend payments by companies in the position to do so, should the current legislation be *abandoned*, stimulated a search for concerns with good dividend covers and GEC, which last year reported annual figures early in July, were supported up to 259p before a close of a net 4 dearer at 256p.

Other individual features included **Trust Houses Forte**, up *10 at 220p, after 224p, on half*-yearly profits well in excess of expectations, but **Hambros**, down 9 at 176p, were depressed by talk that the group may need to bail out its Norwegian shipping interests; Hambros' fall was largely responsible for an above-average movement in the F.T.-Actuaries Merchant Bank index, down 0.6 per cent at 77.37. Charting the course of leading Industrials, the F.T. 30-share index was at its best at the 10 a.m. calculation, but receded thereafter from 438.2 to close a net 1.0 lower on balance at 433.3.

Prospective buyers of Gilt-edged *securities were still not convinced* that the market had stabilised and talk began to revive of a possible further rise in Minimum Lending Rate. As a result, opening gains of ¼ among both the shorts and longs were surrendered and eventually replaced by falls extending to ⅜. Corporations were neglected but *occasionally ended a shade easier*, while **Ecclesiastical Insurance** 10 per cent Preference made its debut in recently-issued Fixed Interests at 104p before a close of 102p.

Late covering made quite an impression on the investment currency premium which, after *spending much of the day around* 109 to 109¼ per cent, rose fairly quickly in thin trading to close two points higher on the day at 111 per cent. Yesterday's SE conversion factor was 0.6698 (0.6744).

After a good morning session in Traded Options when about 432 *contracts were done, interest* waned considerably when the equity market turned down and only 117 were added in the afternoon. Of the total, 150 deals were done in **ICI**, followed by **Grand Met** and **Cons Gold** with 93 and 86 contracts respectively, while **Marks and Spencer** met with increased demand and attracted 71 trades.

### Brokers below best

Tuesday's late disclosure that Frank B. Hall, the third-largest quoted U.S. insurance broker, is to make a renewed £24m takeover bid for **Leslie and Godwin** which will gain Lloyd's approval, sparked off a flurry of early speculative activity in Insurance Brokers and gains in some cases ranged to 8. However, interest waned and the closing tone was mixed. Up 3 the previous day on *speculation*, *Leslie and Godwin* moved ahead to touch 118p before closing 4 up on balance at 116p. **C. E. Heath** put on 3 to 255p, after 260p, and **Hogg Robinson** closed a similar amount dearer at 181p after 184p.

A Press report suggesting that Hambros may soon be asked to launch a new rescue operation for its associated Hilmar Reksten tanker shipping business prompted nervous selling and the shares relinquished 9 to 176p. Elsewhere in Merchant Banks, **Leopold Joseph** improved 13 more to 210p on further consideration of the results.

Trade improved further in Buildings, but prices stayed around overnight levels. News items were responsible for the occasional feature and, standing 9 higher awaiting the annual results, **BPB** immediately fell on the announcement to close a net 3 down at 207p; the 5.6 per cent Preference shares were raised 35 to 90p on the proposed redemption. Disappointment with profits at the half-way stage left **Bett Brothers** 4 lower at 62p, but the improved interim results and the chairman's confident remarks lifted **Blundell Permoglaze** 5½ to 71p. After the previous day's rise of 5, **Econa** hardened 2 more to 72p when dealings were suspended on the announcement that discussions are taking place that may lead to an offer.

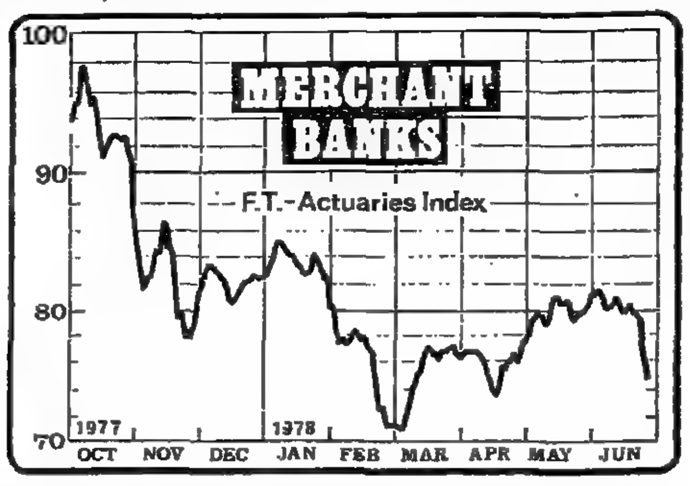
ICI improved to 374p initially but, in line with the general trend, closed 3 down on balance at 368p. *Demand in a restricted* market lifted **Blagden and Noakes** 8 to 236p.

### Fortnum and Mason good

Secondary issues provided the main focal points in Stores yesterday. Renewed demand in a thin market *led to a fresh jump of* 45 to 725p in **Fortnum and Mason**, while persisting speculative buying on bid hopes lifted **MFI Furniture** 4 more to 102p. **H. Samuel A** found support and gained 7 to 284p in a thin market. **Wearwell** added 2½ to 28½p.

*GEC came to the fore in Electricals*, closing 4 better at 256p, after 259p, in recognition of dividend potential if restraints are lifted. **Electrocomponents** responded to the substantially increased profits with a jump of 13 to 443p, while gains of 3 were seen in **Muirhead**, 178p, and **Comet Radiovision**, 126p. **MK Electric** provided a dull contrast at 175p, down 5, on the profits setback. **Decca** also eased, the ordinary by 20 to 410p and the A by 15 to 395p.

Engineering leaders reacted from a firm start and closed mixed. **John Brown** continued to




*reflect last Friday's excellent* results and touched 390p before closing only 2 higher on the day at 384p. Elsewhere, **Warwick** jumped 6½ more to 38p, for a two-day surge of 10½ on news that Mr. Norman Gidney is making a third attempt to acquire the outstanding 23 per cent of the capital *he does not already own*. Improvements of 4 and 5 respectively were seen in **Matthew Hall**, 216p, and **Clayton Son**, 80p. A dull market of late following disappointing results, **Baker Perkins** retrieved 3 to 95p but **Edgar Allen Balfour** cheapened 2 to 38p with the cautious remarks about *current-year trading outweighing* details of last year's bumper profits.

Interest in Foods was on a selective basis with **J. Bibby** figuring prominently at 230p, up 8, on revived bid speculation. **Nurdin and Peacock** rose 4 to 74p, while **J. Lyons**, 76p, and **J. Sainsbury**, 193p, put on 3 apiece. **A. Fisher** were also notably firm at 13p, up 1½, but **Cullen's Stores A**, at 119p, gave up 3 of the previous day's speculative advance of 14. **Hillards** moved up 5 to 218p on renewed speculative interest, but small selling clipped 3 for **Kwik Save** at 80p.

**Trust Houses Forte** featured Hotels and Caterers, closing 10 better at 220p, after 224p, on the better-than-expected interim statement. Norfolk Capital finished a penny better at 37p on the return to profitable trading in the first half.

### Chubb disappoint

An early attempt by Miscellaneous industrial leaders to take the previous day's technical rally a stage further proved short-lived as prices reacted in the afternoon session on reports of an imminent bearish economic survey. **Glaxo** touched 550p but closed 3 off on balance at 545p and **Beecham** ended 5 down at 633p, after 640p. Elsewhere, a sharp contraction in annual earnings unsettled **Chubb** which fell away to finish 14 lower at 123p, while **Harris and Sheldon** *relinquished 3 to 30p, after 40p*, on the announcement that bid talks which commenced with an unnamed concern in May, have been terminated. The record £18.5m Robert von Hirsch art auction continued to draw buyers to **Sotheby Parke Bernet** which put on 6 to 287p, while **Silentnight** *added 5 more to 100p on further* consideration of the chairman's optimistic remarks at the AGM. **Central and Sheerwood** improved 3½ to 82p in response to the capital proposals and the chairman's optimistic view on current-year prospects. Details of the company's capital investment *plans helped European Ferries to* harden 2¾ to 124½p, while gains of 7 and 8 respectively were recorded in **De La Rue**, 347p, and **J. Crean**, 160p. **A. and R. Findlay** put on 3 to 41p in a thin market and **Halma Investments** added a similar amount to 66p following comment on the record results and the Board's intention to pay a 100 per cent dividend increase if restraint is abandoned.

In Motors and Distributors, **Godfrey Davis** hardened a penny more to 88½p on further consideration of the results, while **CGSB** held an earlier gain of 1½ at 21½p following the half-yearly report.

Renewed investment demand lifted North Sea oil favourite **Thomson** 18 to 258. **News International** improved 5 to 250p. Publishers **A. and C. Black** firmed 3 to 98p in a thin market. In Paper/Printings, **David S. Smith** gained a further 9 to 106p, after 108p, on the reconstruction *proposals* and **John Waddington**, at 204p, recovered nearly all of the previous day's fall of 6.

Trading volume in Properties left much to be desired and price changes were few.

### Oils quiet

After initial firmness, U.S. selling took **British Petroleum** down from 848p to close a net 4 easier at 840p. **Shell** reverted to the overnight level of 545p after 550p, but **Ultramar** held an improvement of 5 at 243p. Initially supported to 350p on reappraisals of the Brae Field estimates, **Siebens (UK)** encountered profit-taking and ended 4 down on balance at 340p.

Still reflecting Far Eastern demand, **Sime Darby** rose 6 to a 1978 peak of 97p.

*Dawson International* returned to favour in Textiles, the ordinary rising 5 to 127p and the A6 to 126p as bid hopes revived. **Hicking Pentecost** also featured with a rise of 11 to 96p on the good preliminary figures. **John Beales** were supported at 70p, up 3, while Carpet manufacturers had a couple of firm spots in **Stoddard A**, 28p, and **Trafford**, 30p, both of which closed 2 better. In Tobaccos, **BAT Industries** Deferred closed a penny better at 271p following Press comment on the interim report.

Rubbers closed with some good gains in the wake of Far Eastern support. **Guthrie** featured with a rise of 20 to 310p despite the slow start the company has made to the current year's trading. Gains of 5 or so were recorded in **Kuala Lumpur Kepong**, 78p, and **Kulim**, 56½p, while **Sungei Krian** were raised 4 to 67p.

### Golds firmer

*A rally in* the bullion price, which was finally 50 cents firmer at $183.375 per ounce, coupled with the strength of the investment currency premium enabled South African Golds to move ahead for the first time in three trading days although business *remained at a low level*.

The Gold Mines index recouped 3.0 to 160.6.

Gains in the heavyweights extended to ¾ in stocks like **Vaal Reefs**, £14¾, **West Driefontein**, £20¾, and **Western Holdings**, £18¾, while lower-priced issues showed rises to 44 as in **Winkelhaak**, 723p.

South African Financials also tended to harden. **Amcoal** responded to Cape buying and closed 15 to the good at 585p, while **Anglo American Corporation** put on 7 to 322p.

After losing ground at the outset of trading reflecting a further fall in overnight Sydney and Melbourne markets Australians picked up a shade in late trading in line with the investment premium.

Continued speculative demand left **Pacific Copper** a further 4 higher at a year's peak of 50p.

In Coppers, *Messina* closed another 3 cheaper at 85p. Tins were quietly firmer.

Elsewhere, **Consolidated Murchison** jumped 25 to 260p in late trading following rumours of a gold strike beneath the antimony ore-body.

Activity in Irish-Canadians was minimal although *Northgate* managed a 10 rise to 400p, after 410p. On the other hand, **Sabina Industries** shed 4 to 64p owing to Canadian selling.

## OPTIONS

DEALING DATES

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Jun. 20 | July 3 | Sep. 14 | Sep. 26 |
| July 4 | July 17 | Sep. 28 | Oct. 10 |
| July 18 | July 31 | Oct. 12 | Oct. 24 |

*For rate indications see end of Share Information Service*

Money was given for the call in **Burmah Oil**, **Premier Consolidated Oil**, **Westland**, **Town and City Properties**, **MFI Furniture**, **Lofs**, **J. E. Sanger**, **Siebens Oil (UK)**, **Queen's Moat Houses**, **English Property**, **Crest Nicholson**, and **H. and R. Johnson-Richards Tiles**, while doubles were arranged in **Burmah Oil**, **Lonrho**, **Brocks** and **Pacific Copper**.

## Welsh agency buys restored site

BY OUR WELSH CORRESPONDENT

THE WELSH Development Agency is to buy 58 acres at Pontlottyn, Mid Glamorgan, for a new industrial estate. The land once covered in colliery waste and an iron works, has been restored at a cost of £700,000.

The agency has applied for planning permission to build two 25,000 square feet, factories and two 10,000 square feet units on the site, which eventually should be capable of providing 1,200 to 1,500 jobs.

## FINANCIAL TIMES STOCK INDICES

| | June 28 | June 27 | June 26 | June 23 | June 22 | June 21 | Year ago | High | Low |
|---|---|---|---|---|---|---|---|---|---|
| Government Secs. | 69.01 | 69.26 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Fixed Interest | 71.15 | 71.43 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Industrial Ordinary | 433.3 | 434.3 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Gold Mines | 160.6 | 157.6 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Ord. Div. Yield | 5.83 | 5.81 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Earnings, Y'ld % (full) | 17.68 | 17.65 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| P/E Ratio (net) (*) | 7.52 | 7.54 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Dealings marked | 4,018 | 4,470 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Equity turnover £m | — | 67.37 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Equity bargains total | — | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

10 am 435.2. 11 am [illegible]. Noon [illegible]. 1 pm [illegible]. 2 pm [illegible]. 3 pm [illegible].

Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. [illegible]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

## HIGHS AND LOWS

| | 1978 High | 1978 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 78.58 (5/1) | 68.79 (9/6) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 81.27 (5/1) | 70.75 (6/6) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 497.5 (5/1) | 433.4 (2/3) | 549.2 (14/9/77) | 49.4 (26/6/40) |
| Gold Mines | 168.6 (6/6) | 130.5 (3/1) | 442.3 (22/5/75) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | June 28 | June 27 |
|---|---|---|
| Daily Gilt-Edged | [illegible] | [illegible] |
| Industrials | [illegible] | [illegible] |
| Speculative | [illegible] | [illegible] |
| Totals | [illegible] | [illegible] |
| 5-day Average Gilt-Edged | [illegible] | [illegible] |
| Industrials | [illegible] | [illegible] |
| Speculative | [illegible] | [illegible] |
| Totals | [illegible] | [illegible] |

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1978 high | 1978 low |
|---|---|---|---|---|---|---|
| Guthrie Corp. | £1 | 10 | 310 | +20 | [illegible] | [illegible] |
| BATs Defd. | 25p | 10 | 271 | +1 | [illegible] | [illegible] |
| ICI | £1 | 10 | 368 | −3 | [illegible] | [illegible] |
| GEC | 25p | 9 | 256 | +4 | [illegible] | [illegible] |
| Shell Transport | 25p | 9 | 545 | — | [illegible] | [illegible] |
| Trust Hses. Forte | 25p | 9 | 220 | +10 | [illegible] | [illegible] |
| BP | £1 | 8 | 840 | −4 | [illegible] | [illegible] |
| Smith (David S.) | 25p | 8 | 106 | +9 | [illegible] | [illegible] |
| Sotheby Parke Bernet | 25p | 8 | 287 | +6 | [illegible] | [illegible] |
| Commercial Union | 25p | 7 | 141 | [illegible] | [illegible] | [illegible] |
| Grand Met. | 50p | 7 | [illegible] | [illegible] | [illegible] | [illegible] |
| Burmah Oil | £1 | 7 | 63 | [illegible] | [illegible] | [illegible] |
| Distillers | 50p | 6 | 174 | [illegible] | [illegible] | [illegible] |
| GKN | £1 | 6 | 265 | [illegible] | [illegible] | [illegible] |
| RTZ | 25p | 6 | 214 | [illegible] | [illegible] | [illegible] |

## NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (56)

[illegible]

NEW LOWS (24)

[illegible]

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | [illegible] | [illegible] | [illegible] |
| Corpns. Dom. and Foreign Bonds | [illegible] | [illegible] | [illegible] |
| Industrials | [illegible] | [illegible] | [illegible] |
| Financial and Props. | [illegible] | [illegible] | [illegible] |
| Oils | [illegible] | [illegible] | [illegible] |
| Plantations | [illegible] | [illegible] | [illegible] |
| Mines | [illegible] | [illegible] | [illegible] |
| Recent Issues | [illegible] | [illegible] | [illegible] |
| Totals | [illegible] | [illegible] | [illegible] |



## LONDON TRADED OPTIONS

| Option | Exercise price | July Closing offer | July Vol. | October Closing offer | October Vol. | January Closing offer | January Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP | 750 | 103 | — | 117 | — | 136 | — | 846p |
| BP | 800 | 52 | — | 74 | — | 97 | 4 | „ |
| BP | 850 | 14 | — | 45 | — | 71 | — | „ |
| BP | 900 | [illegible] | [illegible] | 23 | [illegible] | 50 | [illegible] | „ |
| Com. Union | 140 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 141p |
| Com. Union | 150 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | „ |
| Cons. Gold | 160 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 168p |
| Cons. Gold | 180 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | „ |
| Courtaulds | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 112p |
| GEC | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 257p |
| Grand Met. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 104p |
| ICI | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 369p |
| Land Secs. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 202p |
| Marks & Sp. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 141p |
| Shell | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 546p |
| Totals | | | 158 | | 225 | | 158 | |

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid Up | Latest Renunc. Date | 1978 High | 1978 Low | Stock | Closing Price p | + or − | Net Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 70 | F.P. | [illegible] | [illegible] | [illegible] | Beaumont (J.A.) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 | F.P. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 54 | F.P. | [illegible] | [illegible] | [illegible] | Thomas Plywood | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## FIXED INTEREST STOCKS

[illegible]

## "RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

## LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 30, 1977, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

| | | | |
|---|---|---|---|
| Gold Mines | +18.32 | All-Share Index | −2.89 |
| Mining Finance | +8.66 | Electronics, Radio and TV | −3.49 |
| Overseas Traders | +7.16 | Building Materials | −3.63 |
| Chemicals | +5.65 | Pharmaceutical Products | [illegible] |
| Tobaccos | [illegible] | Electricals | −4.43 |
| Toys and Games | +3.92 | Consumer Goods (Non-Durable) Group | −4.61 |
| Mechanical Engineering | +3.77 | Breweries | [illegible] |
| Office Equipment | +3.18 | Food Manufacturing | −5.17 |
| Newspapers and Publishing | +3.14 | Merchant Banks | −5.51 |
| Motors and Distributors | [illegible] | Household Goods | −6.00 |
| Engineering Contractors | +2.82 | Entertainment and Catering | −6.49 |
| Packaging and Paper | +0.91 | Property | −8.01 |
| Oils | +0.56 | Insurance (Life) | −8.10 |
| Textiles | −0.22 | Food Retailing | −8.62 |
| Other Groups | −0.81 | Financial Group | −8.96 |
| Metal and Metal Forming | −0.86 | Discount Houses | −9.42 |
| Investment Trusts | −0.95 | Banks | −9.64 |
| Capital Goods Group | −0.99 | Stores | −9.89 |
| Consumer Goods (Durable) Group | −1.42 | Insurance (Composite) | −11.64 |
| 500 Share Index | −2.11 | Shipping | −12.19 |
| Contracting and Construction | −2.18 | Hire Purchase | −16.14 |
| Wines and Spirits | −2.46 | | |
| Insurance Brokers | −2.56 | | |
| Industrial Group | −2.58 | | |

† Percentage changes based on Tuesday, June 27, 1978 indices.

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Wed., June 28, 1978 Index No. | Day's Change % | Est. Earnings Yield% (Max.) Corp. Tax 52% | Gross Div. Yield% (ACT at 34%) | Est. P/E Ratio (Net) Corp. Tax 52% | Tues. June 27 Index No. | Mon. June 26 Index No. | Fri. June 23 Index No. | Thurs. June 22 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (172) | 207.83 | +0.5 | 18.22 | 5.81 | 7.65 | 206.89 | 206.51 | 208.64 | 208.38 | 183.58 |
| 2 | Building Materials (28) | 185.01 | — | 18.88 | 5.90 | 7.62 | 184.93 | 184.32 | 186.95 | 187.85 | 153.88 |
| 3 | Contracting, Construction (27) | 335.42 | +0.8 | 20.64 | 4.09 | 7.04 | 332.77 | 330.40 | 332.93 | 333.91 | 252.66 |
| 4 | Electricals (15) | 442.76 | +1.1 | 15.54 | 4.12 | 9.12 | 437.93 | 437.18 | 443.25 | 439.65 | 362.35 |
| 5 | Engineering Contractors (14) | 307.85 | +0.6 | 19.49 | 6.63 | 6.83 | 306.15 | 304.96 | 308.73 | 309.81 | 260.66 |
| 6 | Mechanical Engineering (72) | 167.07 | +0.1 | 19.24 | 6.40 | 7.05 | 166.90 | 164.75 | 167.98 | 167.59 | 165.32 |
| 8 | Metals and Metal Forming (16) | 159.79 | +0.3 | 17.96 | 8.02 | 7.59 | 159.31 | 159.94 | 161.02 | 160.99 | 153.72 |
| | CONSUMER GOODS | | | | | | | | | | |
| 11 | (DURABLE) (52) | 191.63 | +0.4 | 17.74 | 5.03 | 7.92 | 190.85 | 190.79 | 192.63 | 193.09 | 171.53 |
| 12 | Lt. Electronics, Radio TV (15) | 225.03 | +0.4 | 16.09 | 3.83 | 8.76 | 224.21 | 225.35 | 227.66 | 227.71 | 196.10 |
| 13 | *Household Goods (12)* | 172.36 | +0.4 | 16.95 | 6.55 | 8.15 | 171.68 | 172.75 | 173.42 | 174.53 | 163.95 |
| 14 | Motors and Distributors (25) | 121.68 | +0.5 | 20.38 | 6.47 | 6.90 | 121.09 | 119.90 | 121.10 | 121.68 | 111.69 |
| | CONSUMER GOODS | | | | | | | | | | |
| 21 | (NON-DURABLE) (174) | 194.94 | +0.3 | 16.57 | 6.02 | 8.19 | 194.39 | 193.54 | 195.51 | 194.91 | 170.88 |
| 22 | Breweries (14) | 218.99 | −0.3 | 15.58 | 6.17 | 9.13 | 219.69 | 217.54 | 219.71 | 219.11 | 182.55 |
| 23 | Wines and Spirits (6) | 247.34 | +0.2 | 16.35 | 5.82 | 9.27 | 246.96 | 243.36 | 246.82 | 246.32 | 191.10 |
| 24 | Entertainment, Catering (17) | 247.86 | +1.4 | 15.76 | 6.89 | 9.20 | 244.39 | 242.74 | 243.49 | 244.02 | 216.07 |
| 25 | Food Manufacturing (21) | 190.50 | −0.1 | 20.18 | 5.86 | 6.59 | 190.60 | 189.53 | 191.75 | 191.57 | 175.19 |
| 26 | Food Retailing (15) | 197.77 | +0.6 | 14.70 | 5.12 | 9.43 | 196.68 | 196.07 | 197.67 | 197.82 | 173.25 |
| 32 | Newspapers, Publishing (13) | 373.78 | +4.6 | 10.69 | 3.32 | 13.35 | 357.37 | 353.23 | 358.47 | 356.27 | 308.44 |
| 33 | Packaging and Paper (15) | 130.86 | −0.2 | 20.12 | 8.13 | 6.56 | 131.16 | 132.01 | 134.09 | 133.06 | 123.45 |
| 34 | Stores (39) | 174.86 | +0.1 | 12.00 | 4.67 | 12.25 | 174.74 | 172.93 | 174.46 | 174.11 | 146.51 |
| 35 | Textiles (25) | 169.95 | −0.4 | 19.46 | 8.14 | 6.68 | 170.69 | 170.69 | 172.90 | 171.46 | 169.52 |
| 36 | Tobaccos (3) | 238.87 | +0.2 | 23.14 | 7.84 | 5.14 | 238.47 | 242.25 | 244.04 | 242.77 | 236.87 |
| 37 | Toys and Games (6) | 106.29 | +1.5 | 19.13 | 5.87 | 6.38 | 104.74 | 104.38 | 104.17 | 104.01 | 101.58 |
| 41 | OTHER GROUPS (97) | 191.95 | −0.1 | 16.66 | 5.95 | 7.88 | 192.22 | 190.61 | 192.42 | 191.87 | 181.08 |
| 42 | Chemicals (19) | 275.05 | −0.5 | 18.00 | 6.35 | 7.54 | 276.55 | 272.92 | 275.40 | 273.66 | 258.24 |
| 43 | *Pharmaceutical Products (7)* | 249.30 | −0.6 | 11.85 | 4.11 | 10.54 | 250.83 | 248.48 | 251.72 | 249.72 | [illegible] |
| 44 | Office Equipment (6) | 127.91 | +0.3 | 18.73 | 5.08 | 6.32 | 127.47 | 127.23 | 127.92 | [illegible] | 99.36 |
| 45 | Shipping (10) | 412.57 | — | 17.40 | 7.42 | 7.06 | 412.50 | 411.95 | 414.68 | 414.96 | 485.34 |
| 46 | Miscellaneous (55) | 198.65 | +0.5 | 17.70 | 6.60 | 7.60 | 197.66 | 196.66 | 198.43 | 198.74 | 174.98 |
| 49 | INDUSTRIAL GROUP (495) | 203.81 | +0.2 | 17.08 | 5.88 | 7.95 | 203.35 | 202.44 | 204.46 | 204.01 | 182.55 |
| 51 | Oils (5) | 479.27 | −0.2 | 15.40 | 4.12 | 7.04 | 480.42 | 478.36 | 483.19 | 474.81 | 514.89 |
| 59 | 500 SHARE INDEX | 226.61 | +0.2 | 16.02 | 5.61 | 7.80 | 226.27 | 225.25 | 227.51 | 226.48 | 209.25 |
| 61 | FINANCIAL GROUP (100) | 156.51 | −0.3 | — | 6.06 | — | 156.95 | 156.06 | 157.27 | 157.19 | 139.59 |
| 62 | Banks (6) | 177.92 | +0.4 | 26.60 | 6.31 | 5.69 | 177.14 | 176.66 | 177.02 | 177.59 | 157.90 |
| 63 | Discount Houses (10) | 202.55 | −0.3 | — | 8.54 | — | 203.02 | 201.78 | 205.14 | 205.14 | 174.57 |
| 64 | Hire Purchase (5) | 138.14 | −0.8 | 14.14 | 5.94 | 10.47 | 139.26 | 140.14 | 139.80 | 139.86 | 140.97 |
| 65 | Insurance (Life) (10) | 128.07 | −0.6 | — | 7.11 | — | 128.88 | 127.86 | 129.37 | 129.60 | 108.10 |
| 66 | Insurance (Composite) (7) | 119.94 | −1.3 | — | 7.11 | — | 121.55 | 120.34 | 121.29 | 120.98 | 113.59 |
| 67 | Insurance Brokers (10) | 327.54 | +0.4 | 14.39 | 4.70 | 9.96 | 326.31 | 318.40 | 323.59 | 322.16 | 298.59 |
| 68 | Merchant Banks (14) | 77.37 | −0.6 | — | 6.42 | — | 77.83 | 78.45 | 79.33 | 79.31 | 66.55 |
| 69 | Property (31) | 225.04 | — | 3.63 | 3.30 | 47.51 | 225.11 | 225.17 | 227.51 | 226.86 | 188.23 |
| 70 | Miscellaneous (7) | 103.75 | +0.6 | 24.47 | 8.05 | 5.32 | 103.18 | 103.43 | 103.89 | 104.15 | 92.45 |
| 71 | Investment Trusts (50) | 206.68 | +0.4 | 3.29 | 4.81 | 30.35 | 205.87 | 205.89 | 208.65 | 209.28 | 167.62 |
| 81 | Mining Finance (4) | 96.38 | +0.1 | 17.93 | 7.22 | 6.73 | 96.24 | 97.25 | 98.69 | 98.52 | 88.69 |
| 91 | Overseas Traders (19) | 303.04 | +0.6 | 17.39 | 7.05 | 7.06 | 301.10 | 300.62 | 303.80 | 306.68 | 272.09 |
| 99 | ALL-SHARE INDEX (673) | 208.55 | +0.1 | — | 5.71 | — | 208.33 | 207.47 | 209.53 | 208.86 | 190.23 |

FIXED INTEREST PRICE INDICES

| | British Government | Wed. June 28 | Day's change % | xd adj. To-day | xd adj. 1978 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | 103.86 | −0.21 | 0.22 | 4.73 |
| 2 | 5-15 years | 112.43 | −0.19 | — | 5.95 |
| 3 | Over 15 years | 118.32 | −0.27 | — | 7.02 |
| 4 | Irredeemables | 120.45 | −0.70 | — | 7.24 |
| 5 | All stocks | 111.01 | −0.24 | 0.09 | 5.83 |

| | FIXED INTEREST YIELDS Br. Govt. Av. Gross Red. | | Wed. June 28 | Tues. June 27 | Year ago (approx.) |
|---|---|---|---|---|---|
| 1 | Low Coupons | 5 years | 8.98 | 8.92 | 7.59 |
| 2 | | 15 years | 11.15 | 11.12 | 11.26 |
| 3 | | 25 years | 11.91 | 11.86 | 12.33 |
| 4 | Medium Coupons | 5 years | 11.79 | 11.67 | 10.05 |
| 5 | | 15 years | 12.38 | 12.34 | 12.02 |
| 6 | | 25 years | 12.43 | 12.41 | 12.33 |
| 7 | High Coupons | 5 years | 11.90 | 11.82 | 10.94 |
| 8 | | 15 years | 12.88 | 12.84 | 13.16 |
| 9 | | 25 years | 13.10 | 13.05 | 13.37 |
| 10 | Irredeemables | | 12.15 | 12.06 | 12.46 |

| | | Wed., June 28 Index No. | Yield % | Tuesday June 27 | Monday June 26 | Friday June 23 | Thurs. June 22 | Wed. June 21 | Tuesday June 20 | Monday June 19 | Year ago (approx.) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb & Loans (15) | 57.35 | †12.97 | 57.25 | 57.64 | 57.40 | 57.43 | 57.29 | 57.33 | 57.34 | 54.50 |
| 16 | Investment Trust Prefs. (15) | 51.38 | 13.77 | 51.38 | 51.34 | 51.52 | 51.68 | 52.18 | 52.36 | 52.79 | 51.75 |
| 17 | Coml. and Indl. Prefs. (20) | 70.62 | 13.10 | 70.68 | 70.64 | 70.56 | 70.53 | 71.17 | 71.17 | 71.55 | 70.37 |

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

هكذا من الأصل

# INSURANCE, PROPERTY, BONDS

[illegible]

**Crusader Insurance Co. Ltd.**
Vincula House, Tower Pl., EC3. 01-626 8031

| | | | | |
|---|---|---|---|---|
| Gth. Prop. June 6 | 70.1 | 79.5 | ..... | — |

**Eagle Star Insur/Midland Ass.**
1, Threadneedle St., EC2. 01-588 1212

| | | | | |
|---|---|---|---|---|
| Eagle/Mid. Units | 50.0 | 51.9 | -0.1 | 6.31 |

**Equity & Law Life Ass. Soc. Ltd.♥**
Amersham Road, High Wycombe 0494 33377

| | | | | |
|---|---|---|---|---|
| Equity Fd. | 110.2 | 116.0 | +0.4 | — |
| Property Fd. | 106.4 | 111.9 | ..... | — |
| Fixed Interest F. | 106.2 | 111.7 | ..... | — |
| Gtd. Deposit Fd. | 99.0 | 104.2 | ..... | — |
| Mixed Fd. | 108.7 | 114.4 | +0.1 | — |

**NEL Pensions Ltd.**
Milton Court, Dorking, Surrey. 5911

| | | | | |
|---|---|---|---|---|
| Nelex Eq. Cap | 78.1 | 82.2 | ..... | — |
| Nelex Eq. Accum. | 109.0 | 114.8 | +0.1 | — |
| Nelex Money Cap. | 61.8 | 65.0 | ..... | — |
| Nelex Mon. Acc. | 65.6 | 69.0 | ..... | — |
| Nelex Gth Inc Cap. | 47.6 | 50.1 | ..... | — |
| Nelex Gth Inc Acc. | 48.6 | 51.1 | ..... | — |
| Nel Mxd. Fd. Cap. | 47.6 | 50.1 | ..... | — |
| Nel Mxd. Fd. Acc. | 48.6 | 51.1 | ..... | — |

Next Sub. day July 25.
For New Court Property see under Rothschild Asset Management



# AUTHORISED UNIT TRUSTS

[illegible]

# OFFSHORE AND OVERSEAS FUNDS

[illegible]

### NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ϕ. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.



CORAL INDEX: Close 452-457

**INSURANCE BASE RATES**

† Property Growth ........ 9¾ %
† Vanbrugh Guaranteed ........ 9.37%
† Address shown under Insurance and Property Bond Table.

# FT SHARE INFORMATION SERVICE



## **BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1978 High | Low | Stock | £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 99⅝ | 98⅝ | Exch. 5pc 76-78 | 98⅞ | — | 5.06 | 9.50 |
| 105¾ | 101⅛ | Treasury 11½pc 79 | 101⅛ | –⅛ | 11.35 | 9.45 |
| 97 | 94⅞ | Treasury 3pc '79 | 95½ | –⅛ | 3.14 | 6.88 |
| 97⅞ | 95⅛ | Electric 4½pc '74-79 | 95⅝ | –⅛ | 4.44 | 7.98 |
| 104⅝ | 99⅞ | Treasury 10½pc '79 | 99⅞ | –⅛ | 10.51 | 10.52 |
| 96⅛ | 94¾ | Electric 3½pc '76-79 | 95¾ | –⅛ | 3.65 | 6.76 |
| 103⅜ | 96¼ | Treasury 9pc 1980 | 96⅞ | –⅛ | 9.30 | 11.09 |
| 102⅝ | 97⅛ | Treasury 9½pc '80 | 97⅛ | –⅛ | 9.76 | 11.06 |
| 95⅛ | 92⅞ | Treasury 3½pc '77-80 | 93 | –⅛ | 3.76 | 7.39 |
| 95½ | 93¼ | Funding 5¼pc '78-80 | 93¼ | –⅛ | 5.63 | 9.08 |
| 110¼ | 103⅛ | Exchequer 13pc 1980 | 103¼ | –¼ | 12.59 | 11.37 |
| 106¼ | 99⅞ | Treasury 11½pc 1981 | 100⅛xd | –¼ | 11.48 | 11.40 |
| 91⅝ | 89⅜ | Treasury 3½pc 1979-81 | 88⅞ | –⅛ | 3.94 | 8.28 |
| 101⅞ | 95⅜ | Treasury 9¾pc 1981 | 95⅞ | –¼ | 10.17 | 11.51 |
| 97⅛ | 91⅞ | Exch. 8¼pc 1981 | 92¼ | –¼ | 8.94 | 11.40 |
| 100¼ | 94⅛ | Exch. 9½pc 1981 | 94½xd | –¼ | 10.05 | 11.69 |
| 87⅛ | 85⅝ | Exch. 3pc 1981 | 86 | –⅛ | 3.49 | 8.13 |
| 97⅛ | 95¼ | Treas. Variable '81 | 95¼ | –⅛ | 10.19 | 10.93 |
| 111 | 102⅝ | Exch. 12¾pc 1981 | 102¼ | –¼ | 12.41 | 11.71 |
| 99⅛ | 91⅛ | Treas 8½pc '80-82 | 91⅛xd | –⅛ | 9.30 | 11.51 |
| 86⅛ | 83⅛ | Treasury 3pc '82 | 83⅛ | –¼ | 3.61 | 8.49 |
| 115⅜ | 106⅝ | Treasury 14pc '82 | 106⅝ | –⅛ | 13.12 | 11.69 |
| 96⅛ | 94⅛ | Treas. Variable '82 | 94¼ | –⅛ | 10.29 | 11.43 |
| 96⅛ | 89⅞ | Treasury 8¼pc '82 | 90⅛xd | –⅛ | 9.16 | 11.41 |
| 100¼ | 91⅛ | Exch. 9¼pc 1982 | 91⅝ | –⅛ | 10.12 | 11.86 |
| 99⅛ | 91⅛ | Exch. 9¼pc 1982 A | 91⅝ | –⅛ | 10.12 | 11.89 |
| 96⅛ | 89⅛ | Exch. 8¾pc 1983 | 89⅞xd | –⅛ | 9.76 | 11.75 |
| 85¼ | 79⅛ | Exch. 3pc '83 | 79⅛ | –¼ | 3.78 | 8.45 |
| 111¼ | 100⅛ | Treasury 12pc 1983 | 100⅞ | –¼ | 11.91 | 11.76 |

### Five to Fifteen Years

| 1978 High | Low | Stock | £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 100⅛ | 89⅞ | Treasury 9½pc '83 | 89⅞xd | –⅛ | 10.24 | 11.85 |
| 15 | 13¼ | Exch. 10pc 1983 £15pd | 13½ | –¼ | 10.70 | 11.66 |
| 89⅛ | 80⅛ | Funding 5½pc '82-84 | 81xd | –⅛ | 6.77 | 9.96 |
| 95⅛ | 86⅛ | Treasury 8¼pc '84-86 | 86⅛xd | –⅛ | 9.77 | 10.98 |
| 87⅛ | 77¼ | Funding 6½pc '85-87 | 78¼ | –⅛ | 8.42 | 10.52 |
| 89⅛ | 78⅛ | Treasury 7¾pc '85-88 | 79⅛xd | –⅛ | 9.66 | 11.17 |
| 65⅛ | 60⅛ | Transport 3pc '78-88 | 61⅞xd | –⅛ | 4.85 | 8.81 |
| 75⅛ | 64¼ | Treasury 5pc '86-89 | 65¼ | –⅛ | 7.73 | 10.37 |
| 115¼ | 101⅛ | Treasury 13pc 1990 | 102xd | –¼ | 12.67 | 12.57 |
| 89⅛ | 77⅛ | Treasury 8¼pc '87-90 | 78⅝ | –¼ | 10.54 | 11.65 |
| 106⅛ | 92⅛ | Treasury 11¾pc 1991 | 93¼xd | –¼ | 12.49 | 12.70 |
| 75⅛ | 63⅛ | Funding 5¾pc '87-91 | 65 | –⅛ | 9.03 | 11.15 |
| 112¼ | 98⅛ | Treasury 12¼pc 1992 | 98⅞xd | –¼ | 12.79 | 12.80 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### Over Fifteen Years

[illegible]

### Undated

[illegible]

## **INTERNATIONAL BANK

[illegible]

## **CORPORATION LOANS

[illegible]

## COMMONWEALTH & AFRICAN LOANS

[illegible]

## LOANS

### Public Board and Ind.

[illegible]

### Financial

| 1978 High | Low | Stock | £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 107¼ | 101 | FFI 13pc '81 | 101½ | +½ | 12.81 | 12.28 |
| 110 | 102 | Do 14pc '79 | 104 | ..... | 13.82 | 13.00 |
| 114¼ | 102½ | Do 14pc '83 | 104xd | +½ | 13.50 | 13.01 |
| 85 | 79½ | ICFC 5½pc Deb '80-82 | 81½ | ..... | 6.90 | 11.30 |
| 81½ | 73¾ | Do. 6½pc Db '81-84 | 76½ | ..... | 8.27 | 11.75 |
| 99 | 89½ | Do. 10½pc Uns Ln '86 | 92 | ..... | 12.05 | 13.00 |
| 99¼ | 90½ | Do 11pc Uns.Ln. '88 | 91½ | ..... | 12.71 | 13.40 |
| 101½ | 90½ | Do. 11½pc Uns Ln '90 | 93¾ | ..... | 13.36 | 13.80 |
| 71½ | 62½ | Do. 7½pc ADeb '89-92 | 62½xd | ..... | 11.60 | 13.10 |
| 71½ | 62 | Do 7¾pc A Db '91-94 | 63 | ..... | 11.91 | 13.15 |
| 84½ | 73¾ | Do.9pc A '91-94 | 74½ | ..... | 12.51 | 13.30 |
| 81½ | 70½ | Do.8½pc Ln. '92-97 | 71½ | ..... | 13.10 | 13.70 |

## FOREIGN BONDS & RAILS

| 1978 High | Low | Stock | Price £ | + or – | Div. % Gross | Red. Yield |
|---|---|---|---|---|---|---|
| 20½ | 17 | Antofagasta Rly | 20½ | ..... | — | — |
| 34½ | 33 | Do 5pc Pref. | 34½xd | ..... | — | — |
| 98 | 98 | Chilean Mixed | 98 | ..... | 3 | f3.10 |
| 415 | 350 | German Yng 4½pc | 405xd | ..... | 4½ | — |
| 54 | 46 | Greek 7pc Ass | 54 | ..... | 3½ | f6.48 |
| 51 | 46 | Do 6pc 28 Stab. Ass. | 51 | ..... | 6 | f6.00 |
| 44 | 30 | Do 4pc Mixed Ass | 43 | ..... | 4 | f4.76 |
| 55 | 42 | Hung '24 Ass | 55 | ..... | 4½ | 5.00 |
| 77 | 65 | Iceland 6½pc '83-88 | 65xd | ..... | — | 12.60 |

## BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

## AMERICANS

[illegible]

S.E. List Premium 48¼% based on US$1.8548 per £

Conversion factor 0.6696 (0.6744)

## CANADIANS

[illegible]

S.E. List Premium 48¼% (based on $2.0868 per £)

## BANKS AND HIRE PURCHASE

[illegible]

## BANKS & HP—Continued

[illegible]

### Hire Purchase, etc.

[illegible]

## BEERS, WINES AND SPIRITS

[illegible]

## BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## CHEMICALS, PLASTICS—Cont.

[illegible]

## CINEMAS, THEATRES AND TV

[illegible]

## DRAPERY AND STORES

[illegible]

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[illegible]

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[illegible]

## ENGINEERING—Continued

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[illegible]


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EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM



## MINES—Continued

### CENTRAL AFRICAN

| 1978 High | Low | Stock | Price | + or — | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 210 | 155 | Falcon Rh.50c | 182 | +2 | Q50c | 1.3 | 23 |
| 24 | 15 | Rhod'n Corp 16½p | 16½ | ...... | 0.56 | 7.1 | 5 |
| 80 | 52 | Roan Cons. K4 | 70 | ...... | — | — | — |
| 275 | 122 | Tanganyika 50p | 149 | ...... | Q10.0 | 1.2 | 6 |
| 90 | 78 | Do. Pref. 80p | 90 | ...... | Q9% | 16.3 | 8 |
| 41 | 32 | Wankie Col. Rh 1 | 35 | ...... | †Q7½c | 1.4 | 18 |
| 16½ | 10 | Zam.Cpr SBD0.24 | 12½ | ...... | — | — | — |

### AUSTRALIAN

| 1978 High | Low | Stock | Price | + or — | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 15 | 10 | Acmex 25c | 14 | ...... | — | — | — |
| 132 | 64 | Bougainville 50 Toea | 116 | ...... | Q8c | 1.4 | 4 |
| 125 | 63 | BH South 50c | 112 | −1 | — | — | — |
| 820 | 150 | Central Pacific | 500 | ...... | — | — | — |
| 245 | 148 | Conzinc Riotinto 50c | 232 | +4 | Q10c | 2.2 | 2 |
| 72 | 48 | G.M. Kalgoorlie $1 | 54 | −1 | — | — | — |
| 138 | 81 | Hampton Areas 5p | 124 | ...... | 1.45 | 4.1 | 1 |
| 40 | 10 | Metals Ex. 50c | 30 | −1 | — | — | — |
| 220 | 125 | M.I.M. Hldgs. 50c | 196 | ...... | Q9c | 1.7 | 2 |
| 39 | 10 | Mount Lyell 25c | 30 | ...... | — | — | — |
| 6½ | 1½ | Newmetal 10c | 4½ | ...... | — | — | — |
| 143 | 74 | North B. Hill 50c | 122 | −2 | Q8c | 2.5 | 4 |
| 16 | 8½ | Nth. Kalgurli | 13½ | ...... | — | — | — |
| 178 | 117 | Oakbridge $A1 | 165 | ...... | †Q11c | 1.9 | 4 |
| 50 | 30 | Pacific Copper | 50 | +4 | — | — | — |
| £14¼ | 750 | Pancont 12½c | £12½ | −¼ | — | — | — |
| 40 | 12 | Paringa M&Ex.5p | 39 | ...... | — | — | — |
| 538 | 310 | Peko-Wallsend 50c | 490 | +2 | Q15c | 4.0 | 1 |
| 300 | 50 | Southern Pacific | 185 | −10 | — | — | — |
| 160 | 84 | Westn. Mining 50c | 151 | +1 | ‡Q6c | 1.4 | 3 |
| 70 | 35 | Whim Creek 20c | 50 | ...... | — | — | — |

### TINS

| 1978 High | Low | Stock | Price | + or — | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 30 | 24 | Amal. Nigeria | 25 | ...... | †2.51 | 1.6 | 15 |
| 360 | 240 | Ayer Hitam $M1 | 360 | +5 | ‡Q41b7c | 0.9 | [illegible] |
| 60 | 45 | Beralt Tin | 53 | ...... | 3.75 | 4.4 | 11 |
| 293 | 200 | Berjuntai $M1 | 293 | ...... | ‡Q110c | ϕ | [illegible] |
| 145 | 111 | Geevor | 132 | ...... | b4.51 | 3.4 | 5 |
| 10 | 8½ | Gold & Base 12½p | 9½ | ...... | — | — | — |
| 293 | 220 | Gopeng Cons. | 293 | ...... | 15.0 | 0.9 | 7 |
| 165 | 130 | Hongkong | 160 | ...... | — | — | — |
| 93 | 78 | Idris 10p | 85 | ...... | 12.0 | 1.6 | 22 |
| 11 | 10 | Jantar 12½p | 10 | ...... | — | — | — |
| 75 | 68 | Kamunting $M0.50 | 75 | ...... | ZQ15.5c | 0.7 | 4 |
| 490 | 450 | Killinghall | 490 | ...... | Q125 | ϕ | 25 |
| 400 | 280 | Malay Dredging $M1 | 400 | ...... | †Q95c | 0.8 | 5 |
| 70 | 40 | ♦Pahang | 69 | ...... | ‡Q3.75c | 0.5 | [illegible] |
| 62 | 50 | Pengkalen 10p | 61 | ...... | 6.5 | 1.3 | 16 |
| 215 | 165 | Petaling $M1 | 215 | ...... | †Q80c | 1.6 | 8 |
| 61 | 49 | Saint Piran | 50 | ...... | g1.99 | 4.6 | 6 |
| 61 | 47 | South Crofty 10p | 60 | ...... | 4.13 | ϕ | 10 |
| 210 | 140 | South Kinta $M0.50 | 210 | +5 | †Q77.8c | 1.4 | 8 |
| 310 | 230 | Sthn. Malayan $M1 | 310 | +5 | ‡Q111.3c | 1.1 | 9 |
| 228 | 134 | Sungei Besi $M1 | 220xd | ...... | Q65c | ϕ | 6 |
| 75 | 55 | Supreme Corp. $M1 | 75 | ...... | ZQ10c | — | 7 |
| 100 | 85 | Tanjong 15p | 92 | ...... | 6.5 | 0.8 | 10 |
| 100 | 74 | Tongkah Hrbr. $M1 | 96 | ...... | ‡Q66.67c | 1.6 | [illegible] |
| 220 | 148 | Tronoh $M1 | 220 | +10 | ZQ88c | 1.6 | 8 |

### COPPER

| 1978 High | Low | Stock | Price | + or — | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 100 | 70 | Messina R0.50 | 85 | −3 | ‡Q30c | 1.9 | ‡ |

### MISCELLANEOUS

| 1978 High | Low | Stock | Price | + or — | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 61 | 35 | Barymin | 52 | ...... | — | — | — |
| 27 | 9 | Burma Mines 17½p | 14 | ...... | — | — | — |
| 300 | 220 | Cons. Murch. 10c | 260 | +25 | ‡Q30c | 2.6 | [illegible] |
| 465 | 245 | Northgate C$1 | 400 | +10 | — | — | — |
| 234 | 164 | R.T.Z. | 214 | ...... | 9.5 | 2.8 | 6 |
| 90 | 30 | Sabina Inds. C$1 | 64 | −4 | — | — | — |
| £12 | 750 | Tara Expln. $1 | £10¼ | ...... | — | — | — |
| 45 | 43 | Tehidy Minerals 10p | 43 | ...... | 1.35 | ϕ | 4 |
| 180 | 120 | Yukon Cons. C$1 | 167 | −3 | Q7c | 2.9 | 2 |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¶ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ● Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 36

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## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| Stock | Price | + or — |
|---|---|---|
| Albany Inv. 20p | 23 | ...... |
| Ash Spinning | 45 | ...... |
| Bertam | 21 | −1 |
| Bdg'wtr. Est. 50p | 267 | ...... |
| Clover Croft | 26 | ...... |
| Craig & Rose £1 | 445 | ...... |
| Dyson (R. A.) A. | 37 | ...... |
| Ellis & McHdy. | 61 | ...... |
| Evered | 18 | ...... |
| Fife Forge | 50 | ...... |
| Finlay Pkg. 5p | 24 | +½ |
| Graig Ship. £1 | 140 | −13 |
| Higsons Brew. | 75 | ...... |
| I.O.M. Stm. £1 | 150 | ...... |
| Holt (Jos.) 25p | 263 | ...... |
| N'thn. Goldsmith | 55 | +2 |
| Pearce (C. H.) | 165 | ...... |
| Peel Mills | 20 | ...... |
| Sheffield Brick | 45 | ...... |
| Sheff. Refrshmt. | 52 | ...... |
| Sindall (Wm.) | 102 | +2 |

IRISH

| Stock | Price | + or — |
|---|---|---|
| Conv. 9% '80/82 | £90¾ | ...... |
| Alliance Gas | 73 | ...... |
| Arnott | 337 | ...... |
| Carroll (P.J.) | 95 | −1 |
| Clondalkin | 98 | +4 |
| Concrete Prods. | 130 | ...... |
| Heiton (Hldgs.) | 44 | ...... |
| Ins. Corp. | 148 | ...... |
| Irish Ropes | 130 | ...... |
| Jacob | 65 | ...... |
| Sunbeam | 32 | ...... |
| T.M.G. | 170 | ...... |
| Unidare | 90 | ...... |

## OPTIONS
## 3-month Call Rates

| Industrials | | | | | |
|---|---|---|---|---|---|
| A. Brew | 6½ | I.C.I. | 20 | Tube Invest. | 30 |
| A.P. Cement | 18 | "Imps" | 6 | Unilever | 35 |
| B.S.R. | 9 | I.C.L. | 20 | Utd. Drapery | 7½ |
| Babcock | 11 | Inveresk | 8 | Vickers | 15 |
| Barclays Bank | 25 | KCA | 3 | Woolworths | 5 |
| Beecham | 35 | Ladbroke | 17 | **Property** | |
| Boots Drug | 15 | Legal & Gen. | 14 | Brit. Land | 3¼ |
| Bowaters | 16 | Lex Service | 7 | Cap. Counties | 4½ |
| B.A.T. | 24 | Lloyds Bank | 22 | E.P. | 5 |
| British Oxygen | 6 | "Lots" | 4 | Intereuropean | 4 |
| Brown (J.) | 20 | London Brick | 5 | Land Secs. | 16 |
| Burton 'A' | 12 | Lonrho | 5 | MEPC | 12 |
| Cadburys | 5 | Lucas Inds. | 25 | Peachey | 8 |
| Courtaulds | 10 | Lyons (J.) | 10 | Samuel Props. | 9 |
| Debenhams | 8 | "Mams" | 7 | Town & City | 1¼ |
| Distillers | 15 | Mrks. & Spncr | 10 | **Oils** | |
| Dunlop | 7 | Midland Bank | 25 | Brit. Petroleum | 45 |
| Eagle Star | 11 | N.E.I. | 12 | Burmah Oil | 5 |
| E.M.I. | 14 | Nat. West. Bank | 22 | Charterhall | 3 |
| Gen. Accident | 17 | Do. Warrants | 10 | Shell | 28 |
| Gen. Electric | 18 | P & O Dfd. | 8 | Ultramar | 20 |
| Glaxo | 40 | Plessey | 8 | **Mines** | |
| Grand Met. | 9 | R.H.M. | 5 | Charter Cons. | 12 |
| G.U.S. 'A' | 20 | Rank Org. 'A' | 18 | Cons. Gold | 14 |
| Guardian | 18 | Reed Intnl. | 12 | Rio T. Zinc | 16 |
| G.K.N. | 22 | Spillers | 3 | | |
| Hawker Sidd. | 20 | Tesco | 4 | | |
| House of Fraser | 12 | Thorn | 22 | | |
| | | Trust Houses | 15 | | |

A selection of Options traded is given on the London Stock Exchange Report page


FINANCIAL TIMES

Thursday June 29 1978



# Europe to press GATT for change to trading rules

BY GUY DE JONQUIERES

BRUSSELS, June 28.

THE EEC has agreed to press in the closing phase of the GATT multilateral trade negotiations for important changes in the rules governing world trade, but has reserved its final position on the deal which it will seek on agriculture.

Mr. Edmund Dell, the Trade Secretary, said after a Council of Ministers meeting which ended in Luxembourg early this morning, that the EEC package met Britain's main concerns. In particular it satisfied Britain's demand for the right to apply the GATT safeguard clause more selectively against disruptive imports.

But the Minister criticised the EEC offer on agriculture warning that for agreement to be reached internationally the EEC would have to provide better access, especially to agricultural products from Australia and New Zealand.

At present restrictions imposed under the safeguard clause must affect all imports of a given product from whatever source. Despite strong West German and Danish reservations, Britain and France have persuaded their EEC partners to seek an agreement in Geneva which would allow it to be invoked against individual exporting countries.

The EEC proposal would require consultation in GATT as a general rule before selective safeguards were imposed, although in severe cases action could be taken autonomously by importing countries. No attempt has been made to draw up criteria for such emergency action.

## Controversial

The safeguards issue is likely to prove one of the most controversial items in the closing phase of the Geneva talks, and the EEC demand seems likely to face resistance in varying degrees from Japan and the economically more advanced developing countries. However, the U.S. has at least accepted the principle of selectivity.

The Community has also agreed to renew pressure on the U.S. to include a provision in its countervailing duty law (allowing duties equivalent to the amount of subsidy to be imposed) which would require proof that imports subjected to such duties had caused material injury. The absence of such a provision, in violation of GATT rules, is the source of long-standing friction between the U.S. and the EEC.

The Nine are not prepared, for the moment at least, to agree to an American demand for a ban on certain types of internal government subsidies as the price for proposing a change in the countervailing duty law to Congress. However, the European Commission has warned EEC governments that it may prove necessary in the end to accept the American terms. Mr. Dell said that this is likely to be the most difficult issue of all.

A final decision on agriculture has been deferred partly because of uncertainties about the likely outcome of the separate talks in London on an international wheat agreement and a possible coarse grains agreement. The EEC is keen to know more about the U.S. position on wheat prices, market access and storage requirements.

In addition, Ireland has refused to agree to any increase in EEC access for cheese imports until the U.S. has indicated whether it will offer a better deal for EEC cheese exports entering its market. There is also a general resistance among northern European meat-producing countries to improving access for beef exports to the EEC.

## Dairy products

Mr. Dell said that he had strongly emphasised the need for more generous concessions by the EEC on agricultural trade, especially for Australian beef and New Zealand dairy products, and he warned that failure to grant them could jeopardise the outcome of the Geneva negotiations. But few other governments appear to share this concern.

The EEC's final position on industrial tariffs now hangs chiefly on whether Japan is prepared to improve its offer, which is estimated to amount to a real cut of only about 23 per cent. The Community has warned Tokyo that it will have to reduce its own initial offer unless it obtains a more satisfactory response.

Editorial Comment, Page 20
Wheat Council talks, Page 35

# BSC offers union extra board seat in pay plan deal

By Christian Tyler, Labour Editor

THE British Steel Corporation is offering to trade an extra seat on its main board for the biggest steel union in exchange for concessions on pay bargaining arrangements and new consultative machinery.

Six seats have been promised to the unions, which are selecting nominees, and might be handed over by the end of next month, well ahead of a general election.

But the Iron and Steel Trades Confederation, which will have two seats, has been told privately by Sir Charles Villiers, BSC chairman, that its demand for a third will be met only if the union will agree to negotiate wages jointly with the other unions at national level. Sir Charles in turn has been told that the confederation will not meet that condition.

## Blueprint

As for the rest of the industrial democracy blueprint, known as the "steel contract" and now the subject of a confidential working party report, the confederation's leaders are concerned that proposals for divisional and works-level participation will not give workers real power.

Sir Charles's offer became known yesterday in the wake of his warning to the union's annual conference in Scarborough that without a big improvement in the corporation's performance, bulk steel-making in Britain might end.

That warning was dismissed yesterday by Mr. Bill Sirs, the confederation's general secretary, as unrealistic. Sir Charles, he said, was showing signs of panic in the face of the corporation's crisis.

## Rough ride

The conference had given Sir Charles a rough ride over the spate of plant closures, but yesterday it went as far as it could to support the Government by rejecting a resolution, of the kind passed by most trade unions this summer, opposing further pay restarints.

From July the unions can expect six-worker directors on an expanded BSC board of 21. They will probably choose rank-and-file men. Mr. Varley has asked for their names by early next month.

The Confederation, as the biggest union, will get two seats: the Blastfurnacemen, the Transport Workers and the General and Municipal Workers one each; the 12 crafts unions will have one between them. It is not yet clear whether the 17 worker-directors already on divisional management boards will stay on.

That advance, important to the unions because of their fears of what a Conservative Government would do to the steel industry, will go ahead independently of arrangements lower down.

## Top tier

The Corporation is anxious to bring the unions together at all levels, starting with an advisory joint national council to reflect decisions of reformed divisional and works councils. That top tier, for which the 17-member TUC Steel Industry Committee would provide the unions' executive arm, would comprise about 100 members, 70 from the unions.

Mr. Sirs is determined to stick out for the third seat for his union, but not on Sir Charles's terms. At the same time he is anxious that one of ISTC's seats should be occupied by a BSC staff—rather than manual worker-representatives.

Steel men reject attack on wage controls, Page 8

THE LEX COLUMN

# More smiles at Trust Houses

Trust Houses Forte's shares have consistently outperformed the stock market this year. So there was much rejoicing yesterday when the group reported interim pre-tax profits of £12.2m. As reported, this is only about £2m up on last time; but in reality the underlying trading performance is much better since the 1977 interims included £4.1m from the disposal of Terrys.

At the trading level the improvement is 30 per cent, with margins up almost a point to 7.3 per cent of sales. The UK hotel business has turned in profit growth of about 30 per cent, thanks to a decision to increase prices in London (where occupancy was down, if anything) and higher occupancy rates in the provinces. The Lyons hotels, incidentally, doubled their contribution to £2½m, though the 1977 figures included only three months trading.

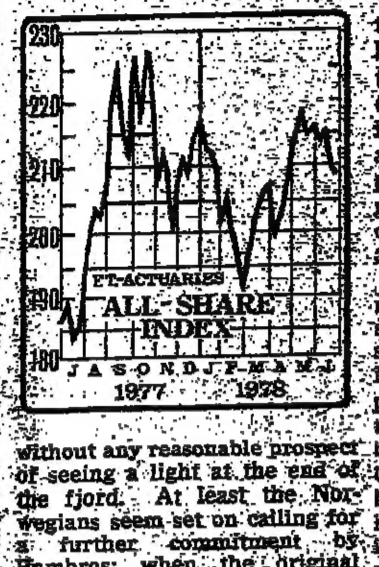
Overseas, hotels have also shown excellent profits growth, with the United States increasing its contribution by 52 per cent to £3.1m and the rest up 40 per cent to £2.1m. The catering side has also done well, although the airports seem to have had a fairly flat period. And as usual, the leisure division has ended the seasonally unfavourable first half with a loss, of perhaps £½m.

THF sounds reasonably optimistic about the second half, suggesting that pre-tax profits for the year could well exceed £50m—a gain of over 30 per cent. This would produce fully taxed earnings per share of around 24p. At 220p, the rating looks about right on a prospective p/e of 9, while the yield is 6 per cent.

## Hambros Bank

The shipping crisis will not go away for Hambros. Ever since the Norwegain Guarantee Institute moved in to prop up the Norwegian shipping industry in 1976 there has been an awkward question mark over what will happen when the original guarantees expire at the end of 1979. At one time it was still plausible to argue that recovering ship prices would remove the problem by then, or alternatively that the Norwegians would find it worthwhile to roll the guarantees over for a further period. But the slump in ship values is clearly making the Norwegians reluctant to enter into a further huge financial commitment

Index fell 1.0 to 455.3




without any reasonable prospect of seeing a light at the end of the fjord. At least the Norwegians seem set on calling for a further commitment by Hambros; when the original guarantees were given, Hambros had to write down its claims on the Reksten group by some £9m.

How serious a threat is this, given that loans of over £50m appear to be involved? The first line of defence consists of specific provisions which Hambros mentioned, but of course did not quantify, last year. Then there are the hidden banking reserves, which the bank should have been in a position to top up after last year's highly profitable run in the gilt and money markets: brokers Laing and Cruickshank recently estimated that Hambros' inner reserves were particularly large, at over £30m. This suggests that allowing for tax relief the bank would be able to swallow up any conceivable loss without eating into the published capital and reserves of some £60m. Still, the Norwegian affair is bound to add spice to Hambros' results, due at the end of next week, a fortnight later than the equivalent date last year.

## Goldsmith Empire

Like many documents connected with the affairs of Sir James Goldsmith, details of the deal whereby a significant holding in Generale Occidentale (GO) will be transferred to a Hong Kong company, General Oriental, are staggeringly complicated. But the essence of the transaction is familiar and consistent. Last summer, Sir James's interest in GO amounted to one-fifth of the equity. After this deal, he will effectively have a controlling interest in companies which in turn control around two-fifths of GO. His own direct holding will be down to about 2 per cent.

In short, the pyramid structure of the Goldsmith empire is being further extended. At the top end is now General Oriental, a business which will have net assets of about £35m after the various deals are completed. At the bottom are the gross assets of GO, which of course now include Cavenham and amount to nearly £500m.

The transactions which have made this possible are necessarily complex. They include substantial loans by GO's banking business to private companies controlled by Sir James, the setting up of a cash shell by means of a sales of assets to Cavenham, the shell then being turned into a company holding GO shares and sold on in return for interest free unsecured loan stock. In Chinese, this document must be quite a read.

Sir James is careful to emphasise that control of GO will remain in French hands. In a phrase which will be familiar to former shareholders in Anglo-Continental, the Hong Kong company will concentrate on "strategic investments with an element of control"; further purchases of shares in GO are not ruled out.

## Ferranti

Pre-tax profits of £9.12m from Ferranti, up almost 50 per cent, turn out to be around £0.5m better than expected, and set the stage for the introduction of the shares to the market; this will take place sometime between the annual meeting on July 26 and the end of September. Ferranti will be able to come to the market with a solid looking balance sheet. Medium term loans of £23.7m compare with shareholders' funds of £48.2m, and there is no overdraft. Meantime the p/e at the unofficial price of 370p, equivalent to some 334p allowing for the NEB's proposed disposal on preferential terms, is 7.7 fully taxed, or just 4.25 on an actual tax basis.

Ferranti is going to arouse considerable interest when it is floated. But the capitalisation of £35m is modest, especially as most of the shares are tightly held, and the group's own recent record is proof enough of the riskiness of the high technology sector.

# Maudling was ready to quit on Poulson

By John Bourne

MR. REGINALD MAUDLING, a former deputy leader of the Conservative Party, discloses today that he had intended to resign as an MP and close his political career if the Commons had endorsed a Select Committee report criticising his links with Mr. John Poulson, the architect jailed for corruption.

The Commons debate on the report, which took place last July, was a tense one. There was a series of votes, the most important being on a Tory backbench amendment that the House should merely "take note" of the report rather than "agree to it," as Mr. Michael Foot, the Leader of the House, had originally moved.

The amendment was carried by 230 votes to 207, a majority of 23 in Mr. Maudling's favour.

The Select Committee's findings had been that the conducts of Mr. Maudling and Mr. Albert Roberts, Labour MP for Normanton, had been "inconsistent with the standards which the House is entitled to expect from its members."

Mr. Maudling's statement about his contingency plans for resignation appears in his memoirs, published this morning.

Writing of the debate on the committee's report, he says: "It was a long hard day. Unusually I was allowed to sit in and listen to what was said, instead of withdrawing by tradition while my fate was discussed.

"It was difficult at times to restrain myself, and once or twice I felt obliged to make interventions, though friends did their best to restrain me, fearful that I might speak too vigorously (though that was hardly my custom).

"Eventually the vote was taken on Ronnie Bell's (the Conservative MP for Beaconsfield) amendment and while it was going on I sat in the smoking-room brooding over a large whisky and water, and awaiting the result on the closed-circuit television.

"It was an important result for me. I had already made up my mind that if the House of Commons voted to agree with the Select Committee after hearing from me in my speech the additional and important facts which did not appear in the Select Committee's report, I would immediately resign my seat in the Commons and close my political career."

Book review, Page 9

# Post Office faces ban on overtime by engineers

BY NICK GARNETT, LABOUR STAFF

MAINTENANCE and repair work on telephone and telex systems, and installations of machinery, is likely to be severely affected by a national overtime ban called yesterday by the Post Office Engineering Union.

The ban, which is to begin at midnight on Friday in support of a dispute about a shorter working week, will prevent evening and weekend repair work on all Post Office telecommunications links and could cause a backlog of maintenance work.

Emergency lines, including those to hospitals and police stations, will be excluded from the bar.

The union said yesterday that if telecommunication faults developed some radio and television transmissions could be disrupted.

The Post Office last night could not assess the effects of the ban but said the extent of delays in repair work would differ regionally.

The union, which has been involved in an eight-month dispute with the Post Office over a claim for a 35-hour week, has been operating an overtime ban in Scotland since the beginning of the week.

This began when 13 men in Dundee and Edinburgh were sent home for intensifying sanctions imposed by the union. During the dispute, Post Office engineers have been refusing to commission new exchanges and to install machinery connected with these exchanges.

Mr. Norman Howard, a uion assistant secretary, said yesterday that the ban had been extended to the whole of Britatin because the Post Office had refused to reinstate the 13 engineers who have not, however, been formally suspended.

The union said that two engineers in Doncaster and one in Carlisle had also been sent home yesterday and 1,500 Post Office workers in the Sheffield area (which covers Doncaster) and 400 in Carlisle had refused to work for the rest of the day.

About half of the union's members work overtime, which averages between two and five hours a week.

The Telephone Users' Association said last night that the union's action was "contemptible" and could only support the idea that their claim was unjustified.

The Government has ordered an inquiry into the union claim. Lord McCarthy, who heads the inquiry and will report direct to Mr. Eric Varley, the Industry Secretary, met representatives of both sides yesterday and will meet them again next week.

The union says that it is unjust that its members do not work the 35-hour week operated by other Post Office workers. The Post Office says that to meet the claim without loss of pay would be a clear breach of pay policy.

# Hopes rise for settlement of Rover dispute

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

HOPES WERE rising last night for an end to the strike at the Rover plant, Solihul, that has cost £42m in lost production and made 10,000 workers idle.

Mr. Michael Edwardes, BL chairman, delivered a personal warning to pickets on the factory gates yesterday of the damage they were causing to the State-owned concern. Any wildcat strike put the company in jeopardy and handed valuable business to overseas competitors, he said.

Mr. Edwards, on a routine visit to the plant, stopped his chauffeur-driven Rover 3500 to have what was described as "a friendly chat" with a dozen pickets. Among those on picket duty was Mr. Anthony Tombes, the shop steward whose sacking is at the centre of the strike. About 80 external transport drivers walked out three weeks ago in protest at the dismissal of Mr. Tombes for stealing a tax disc from the company.

Mr. Tombes was fined £50 by Solihull magistrates on Tuesday after pleading guilty to the offence.

The drivers meet today and are likely to be urged by Mr. Joe Harris, the Transport and General Workers' Union convenor, to return to work to enable discussions to continue about Mr. Tombes's future.

Local union officials appear to have accepted that there is no question of Mr. Tombes's reinstatement at Rover. The men will be warned of the serious damage they are causing to the company by halting output of Rover models. All production of Rover saloons, Land-Rovers and Range Rovers has been at a standstill for nearly three weeks.

One factor that may influence the drivers is that earnings in the next two weeks will affect the pay to which they will be entitled for the summer holiday in mid-July.

● Five hundred press shop operators at BL's Swindon body plant stopped work yesterday and voted to stay out for at least a week.

The plant supplies body panels for a wide range of the company's cars and a prolonged strike at Swindon would have serious repercussions. At Swindon itself 3,000 men could be idle by the weekend.

The strikers are objecting to a company instruction that they must in future stack reject body panels, a job they say they have never done before.

● Production was halted at the Chrysler car plant at Linwood yesterday after 300 paint shop workers walked out over a dispute about working arrangements.

Another 1,000 workers had to be sent home as a result and the assembly lines were halted.

The 300 men who walked out are all members of the Transport and General Workers Union.

Continued from Page 1

# £25m loss

Many companies in Britain and elsewhere have found themselves facing large losses as a result of exchange rate changes effectively increasing the amount they have to repay in loans denominated in currencies which have appreciated in value.

However, most companies have had some earnings denominated in the same or similar currencies which have tended to reduce the adverse impact of these changes. Neither the GLC nor the London boroughs have such earnings.

Substantial losses have also been incurred by the Treasury as a result of the multi-billion public-sector borrowing in foreign currencies

The exchange rate risks on this borrowing have been carried almost entirely by the Treasury rather than by the individual borrowers as a result of the schem to provide the latter with insurance cover.

In proportional terms the losses have bee nsmaller since virtually all the rest of the foreign borrowing has been denominated in U.S. dollars.

Whereas the pound has fallen by over 50 per cent. against the Swiss franc, its dollar value has fallen about 25 per cent.

# Peers urge veto of EEC directive

BY RUPERT CORNWELL, LOBBY STAFF

AN INFLUENTIAL Parliamentary Committee last night demanded a sweeping overhaul in the way EEC standardisation plans are formulated, and urged the Government to veto an EEC harmonisation directive in the Council of Ministers.

The directive concerned portable grinding machines. The House of Lords' European Community direct committee, says the proposal, if adopted, would mean tht potentially dangerous equipment, which would lower British safety standards, would be allowed on to the domestic market.

The peer's main complaint is that the views of industry, scientists and consumers are often ignored and that voting procedures in the standardisation committee are faulty.

"The directive is an example of how not to apply the principle of harmonisation," they say.

The committee also attacked separate "well intentioned" proposals from the Brussels Commission to curb the noise level of lawn mowers, but said the suggestions were put forward without regard for their feasibility or likely benefit.

The idea had been based on West German legislation. "But neither the Germans nor anyone else have yet discovered how to make lawn mowers, within the decibel limits proposed, which actually cut grass."

The standard was "impossible" and had been formulated without any consultation with the British lawn mower industry, which is by far the biggest in Europe, says the report.

The draft directive on grinding machines is part of the Community's efforts to remove trade barriers by approximating laws in member states. But the peers' findings will add to growing irritation at Westminster over the way the programme is being carried out.

The committee urges the Government to back the British Standards Institution in working toward a better voting procedure on the European Committee for Standardisation (CEN) which, although not a Community body, provided the basis of the directive.

## Weather

UK TODAY

RAIN OVER N. and W., spreading S.E. Rather cool.

**London, S.E., Central S. England, E. Anglia, Midlands**
Cloudy, hill fog, rain from W. Max. 17C (63F).

**E., Central N. N.E. England, Midlands**
Cloudy, rain, hil fog, brighter later. Max. 16C (61F).

**Channel Is., S.W. England**
Hill, coastal fog, rain from W. Max. 16C (61F).

**Wales, N. England, Lakes, Isle of Man**
Cloudy, rain, hill and coast fog, brighter later, showers. Max. 15C (59F).

**Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Central Highlands, Moray Firth, Argyll, Ireland**
Sunny intervals, showers. Max. 15C (59F).

**N. Scotland, Orkney, Shetland**
Sunny intervals, showers. Max. 13C (55F).

Outlook: Changeable, rather cool.

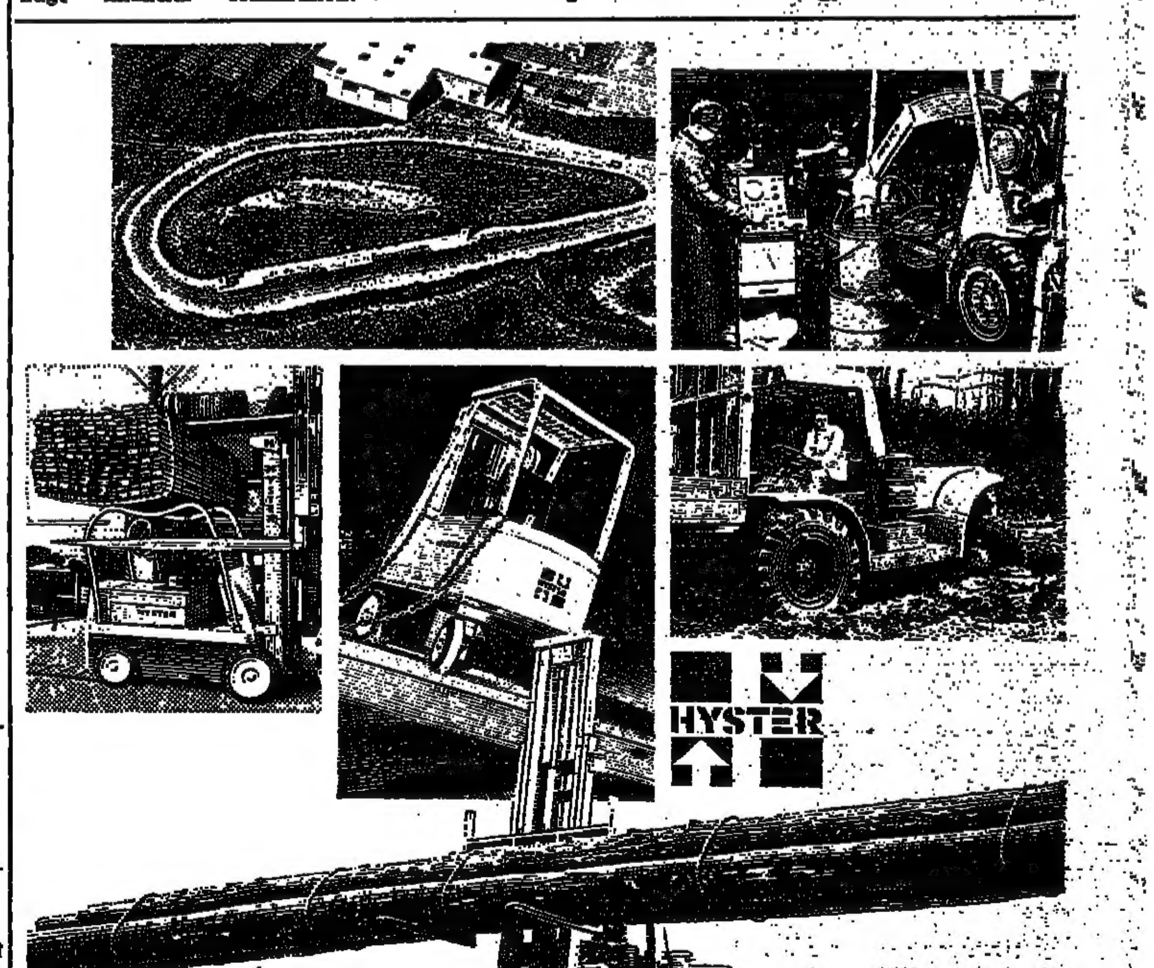
BUSINESS CENTRES

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Amstrdm. | R | 13 | 55 | Luxmbrg. | C | 12 | 54 |
| Athens | S | 28 | 82 | Madrid | S | 24 | 75 |
| Bahrain | S | 33 | 91 | Manchestr. | C | 15 | 59 |
| Barcelona | C | 21 | 70 | Melbourne | R | 10 | 50 |
| Belfast | C | 13 | 55 | Milan | S | 23 | 73 |
| Belgrade | R | 12 | 54 | Montreal | S | 23 | 73 |
| Berlin | C | 13 | 55 | Munich | C | 13 | 55 |
| B'mghm. | C | 19 | 66 | Newcastle | C | 17 | 63 |
| Bristol | R | 12 | 54 | New York | S | 29 | 84 |
| Brussels | R | 12 | 54 | Oslo | F | 23 | 73 |
| Budapest | R | 12 | 54 | Paris | R | 13 | 55 |
| B. Aires | S | 11 | 52 | Perth | S | 16 | 61 |
| Cairo | S | 39 | 102 | Prague | C | 13 | 55 |
| Cardiff | C | 16 | 61 | Reykjavik | C | 9 | 48 |
| Chicago | S | 24 | 75 | Rio de J'o | S | 26 | 79 |
| Cologne | C | 17 | 63 | Rome | F | 23 | 73 |
| Copnhagn. | C | 15 | 59 | Singapore | S | 30 | 86 |
| Dublin | C | 18 | 64 | Stockholm | C | 13 | 55 |
| Edinbrgh. | C | 14 | 57 | Strasbrg. | C | 15 | 59 |
| Frankfurt | C | 14 | 57 | Sydney | R | 14 | 57 |
| Geneva | F | 15 | 59 | Tehran | S | 28 | 82 |
| Glasgow | C | 14 | 57 | Tel Aviv | S | 29 | 84 |
| Helsinki | C | 14 | 57 | Tokyo | R | 20 | 68 |
| H. Kong | S | 30 | 86 | Toronto | S | 24 | 75 |
| Jo'burg | S | 19 | 66 | Vienna | C | 16 | 61 |
| Lisbon | F | 25 | 77 | Warsaw | C | 18 | 64 |
| London | F | 20 | 68 | Zurich | F | 13 | 55 |

HOLIDAY RESORTS

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 20 | 68 | Jersey | C | 14 | 57 |
| Algiers | S | 25 | 77 | Las Plms. | S | 24 | 75 |
| Biarritz | C | 16 | 61 | Locarno | S | 22 | 72 |
| Blackpool | R | 13 | 55 | Luxor | S | 42 | 108 |
| Bordeaux | C | 17 | 63 | Majorca | S | 23 | 73 |
| Boulogne | C | 13 | 55 | Malaga | F | 24 | 75 |
| Casablnca. | C | 22 | 72 | Malta | S | 23 | 73 |
| Cape Twn. | R | 13 | 55 | Nairobi | C | 16 | 61 |
| Corfu | F | 24 | 75 | Naples | F | 22 | 72 |
| Dubrovnik | F | 21 | 70 | Nice | S | 21 | 70 |
| Faro | F | 19 | 66 | Oporto | S | 24 | 75 |
| Florence | C | 23 | 73 | Rhodes | S | 27 | 79 |
| Funchal | C | 18 | 64 | Salzburg | R | 12 | 54 |
| Gibraltar | F | 21 | 70 | Tangier | F | 25 | 77 |
| Guernsey | C | 13 | 55 | Tenerife | F | 18 | 64 |
| Innsbruck | F | 12 | 54 | Tunis | F | 25 | 77 |
| Inverness | C | 17 | 63 | Valencia | F | 22 | 72 |
| I. of Man | C | 13 | 55 | Venice | S | 21 | 70 |
| Istanbul | C | 27 | 79 | | | | |

C—Cloudy. F—Fair. R—Rain. S—Sunny.



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